Which bank account gives you the best deal? Page 7

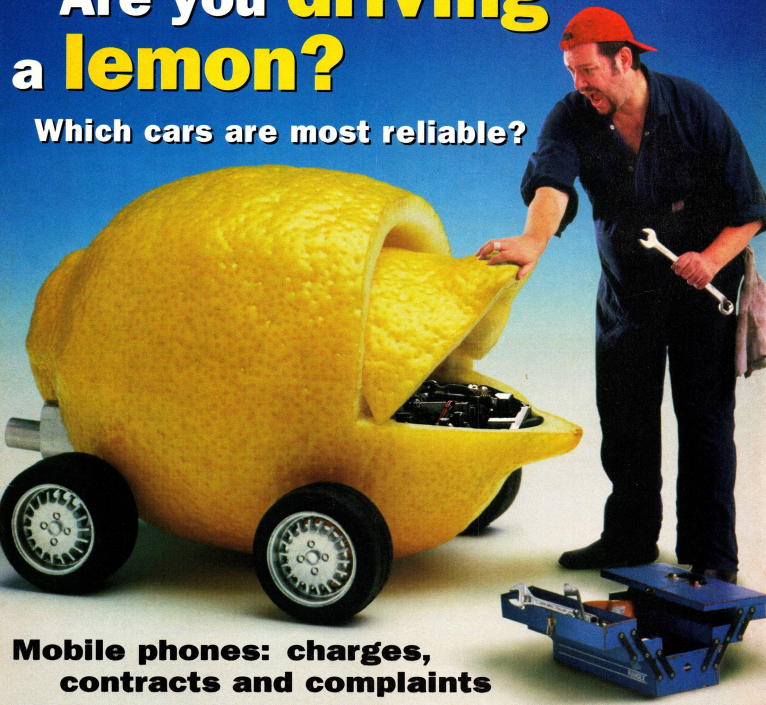
# CHOICE

Australian Consumers' Association

March 1997

## Are you driving a lemon?

### Which cars are most reliable?



**Mobile phones: charges, contracts and complaints**

**TESTS:** Electric stoves • Bank accounts • Cooking oils — which are the healthiest?

## More magazines from CHOICE

*Jane Mackenzie*

In the past year or so, the Consumers' Association has started publishing two new magazines: the CHOICE *Health Reader* and *Computer* CHOICE.

The *Health Reader* gathers the latest findings in the areas of nutrition, exercise, medicine and health care from hundreds of international scientific journals and presents them in language non-experts can understand. If you're interested in health matters, it's an easy way to keep up-to-date with what's happening in the area and what it means for your health.

*Computer* CHOICE came about because many CHOICE subscribers told us there was no computer magazine on the market that catered to their needs. They wanted basic, clearly explained information that would help them cut through all the jargon and sales hype they'd encountered when trying to buy a home computer. They also wanted independent comparative tests of computer products like CHOICE's tests of domestic appliances.

Neither magazine means there will be less than before about health or computers in CHOICE itself. There will still be in-depth articles about dealing with health problems, nutrition and diet, Australia's healthcare system and choosing health insurance – and we'll include any new information the *Health Reader* brings to light in CHOICE when it's relevant to a topic or we just think readers would want to know.

We'll still test computer products every so often and bring you CHOICE's regular department, *Computing* CHOICE. By having two magazines we can satisfy readers who want a lot more information about computers without annoying the CHOICE readers who think it has enough on the subject already.

So rest assured: whenever we publish a new magazine or introduce some other new service, it won't be at the expense of CHOICE and its readers. Instead it will be offering additional information for people who want more specialised information in a particular area.

*Jane Mackenzie, Editor*

## Your letters

**We welcome the letters you send us – please always include a daytime telephone number so we can contact you quickly if we want to follow your letter up. We're sorry we can't personally answer every letter we receive, but we do use them in our research. Thanks for taking the time to keep in touch.**
**Write to us at CHOICE, 57 Carrington Road, Marrickville 2204.**
**Phone us on (02) 9577 3399.**
**Fax us on (02) 9577 3355.**
**e-mail us at ausconsumer@choice.com.au**

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*Cover photo: Kent Mears*

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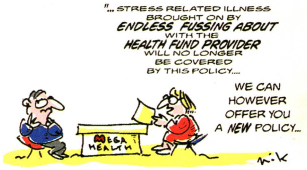
"... STRESS RELATED ILLNESS BROUGHT ON BY ENDLESS FUSSING ABOUT WITH THE HEALTH FUND PROVIDER WILL NO LONGER BE COVERED BY THIS POLICY...
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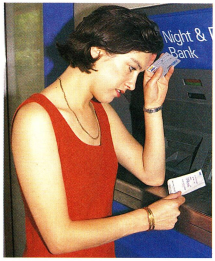


▶ *The fees your bank charges are likely to offset any interest you earn in an everyday account — most people will in fact lose money.* *See page 7.*

## Choice Reports

**32** **Going mobile**

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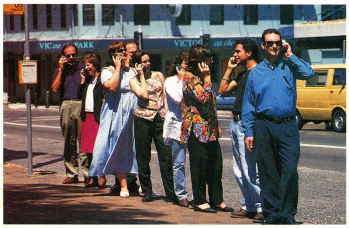

▲ *More and more people are signing up for a mobile phone — but they're not all happy with their contracts or the service they receive.* *Page 32.*

## Choice Tests

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You can get quite sophisticated cooking functions in ranges that cost less than $1000.

**MONEYCHOICE$**

**Get the best deal on your mortgage, credit cards, personal loan or overdraft.**

**Call 1900 17 00 88 for the best products to suit you. For less than $10 you could save a bundle.**

**Calls charged at $1.95 a minute (more from mobiles and public phones).**

## Coming in the next three issues

**Tests:** Expensive washing machines, cordless phones, breadmakers, stereo VCRs, 400 L fridges, food processors, column heaters, breakfast cereals, dishwashers, irons, microwave ovens.

◀ *Can a column heater heat your room effectively and energy-efficiently?*

**Features:** Driving lessons, conveyancing, how good is your pharmacy?, fluoride in water, how to cut your energy use and costs, mortgages – interest rates vs bells and whistles, soap, your heating options, alternative medicine, childbirth options, appliance reliability, how to read a company prospectus.

*We try to bring you tests and reports in the planned month, but sometimes have to move an article because of problems that occur during testing and research, or for lack of space in a particular issue. We apologise if this causes any inconvenience.*

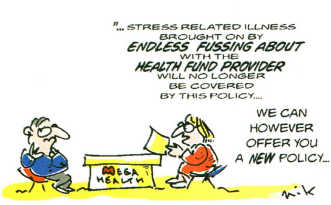
# Complaining about private health insurance

**THE FIRST** Private Health Insurance Complaints Commissioner, Mary Perrett, has received over 200 complaints in her first year.

Most of the complaints from health fund members were about the amount of benefit payments they were entitled to — for example, where the amount of cover they were entitled to for a particular medical procedure had changed. This type of change can occur at short notice.

Other common complaints received by the Commissioner were from members concerned they had been given misleading, inadequate or inappropriate information by their funds. Members also commonly complained about charges by hospitals and doctors, the cost of premiums and waiting periods, such as those for pre-existing conditions.

These waiting periods were in fact the specific issue most complaints were received about. Many people find the rules about waiting periods confusing, and ads promising a waiver of waiting periods compound the problem. In most cases the advertised waiver only refers to the standard two-month waiting period for new members — not the waiting period for pre-existing conditions or the nine-month wait for obstetrics, for example. (Accidents are covered from the day you join.)


"... STRESS RELATED ILLNESS BROUGHT ON BY ENDLESS FUSSING ABOUT WITH THE HEALTH FUND PROVIDER WILL NO LONGER BE COVERED BY THIS POLICY....
WE CAN HOWEVER OFFER YOU A NEW POLICY...
MEGA HEALTH

CHOICE thinks funds should describe their products more clearly and provide consumers with enough information for them to know exactly what to expect from their policy. Recent changes mean funds should now notify members promptly in personal letters about changes to benefits and premiums. But regulatory authorities still need to keep a close eye on health funds' advertising and information.

The good news is that a third of the complaints were resolved within one week and almost all within three months — often by providing an explanation or additional information to the fund member. In 14% of cases the health fund agreed to pay additional benefits to the member.

If you have a complaint, your first step should be to contact your health fund. Most funds have a system in place to deal with complaints — check when you join a fund or change to a new one.

If you're not satisfied with how the fund has handled your complaint, you can contact the Private Health Insurance Complaints Commissioner, at Suite 1201, Level 12, St Martins Tower, 31 Market Street, Sydney 2000. Phone (freecall) 1800 640 695 or (in Sydney) 9261 5944; fax (02) 9261 5937. Include your fund membership number and other relevant details about your complaint, or have them handy if you phone.

The Complaints Commissioner is responsible for dealing with inquiries and complaints about any aspect of private health insurance and is independent of the private health funds, hospitals and government.

## *Correction*

### SAVING FOR EDUCATION

**CHOICE, January 1997**

On page 12, we said, "...most life insurance companies and fund managers will be happy to sell you a savings plan of some sort, though our advice is that this kind of scheme is unlikely to give you the best return on your money."

This statement could be misleading if taken out of context. We should have said: "...our advice is that you check the management charges and the underlying investments to make sure they're appropriate for the kind of investment you want to make — for example, low or high risk."

For help in deciding what type of investment is appropriate for you, see CHOICE, October 1996, *Where to invest $5000 to $10,000.*

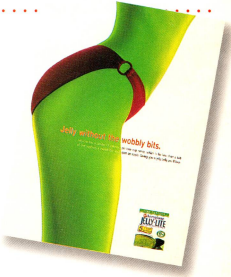
# *Jelly ad just doesn't gel*

**PEOPLE WHO** are concerned about their weight are a prime market for food companies wanting to sell their products. And CHOICE thinks some emerging advertising messages are less than wholesome.

In early January, the Aeroplane Jelly Company launched a new magazine ad for its **AEROPLANE Jelly-Lite** low-joule jelly crystals. Targeting the calorie-conscious, it says, "Jelly-Lite has a slender 17 calories per one-cup serve, which is far less than a tub of diet yoghurt, a muesli bar and even an apple. Giving you a jelly belly you'll love."

Giving up apples and diet yoghurt (two foods which are unlikely to make anybody fat and which contain important nutrients, vitamins and minerals) for low-cal jelly — a product which contains only gelatine, artificial sweeteners, food acid, flavour and colour — isn't a smart move for any nutrition-conscious slimmer.

The food industry should take more seriously the nutrition messages its promotions could convey — and advertising regulators should be much tougher. CHOICE is pushing for all food ads targeted at slimmers to include information about how the food fits into a balanced slimming diet and the importance of physical activity for weight loss.



# Sustainable consumption

**SUSTAINABLE CONSUMPTION:** the ability to fulfil basic human needs without destroying the environment. It sounds simple enough, but achieving it will be one of the major challenges of the 21st century.

Currently global consumption patterns are extremely unbalanced. While the developed world makes up 20% of the global population, it's responsible for 85% of world consumption of aluminium and synthetic chemicals, 75% of its timber and 40% of its fresh water. This is not only inequitable, it's unsustainable.

In the move toward sustainable development — finding ways to meet the needs of people *and* the environment — consumers have an increasingly important role to play. That's why the theme for this year's World Consumer Rights Day on March 15 is *Sustainable consumption: what it means and how it can be attained.*

Consumer organisations all over the world are running campaigns and establishing projects to encourage people to consume less, use more renewable resources and be aware of the environmental impact of the products they buy.

At the Australian Consumers' Association our focus this year is on energy use. Last year we undertook a major research project on consumer attitudes towards the greenhouse effect. Now that we know more about Australians' energy-saving behaviour — why people do certain things to save energy but not others — we're ready to tackle the issue at the local level.

As local government programs can influence more than 50% of all greenhouse gas emissions in Australia, our priority this year is to work with local councils — and look at ways to work with builders, retailers and manufacturers — to bring about changes that will help consumers minimise the impact of the greenhouse effect.

Some of the key things that need to happen are the provision of more and better information to consumers when they buy whitegoods, and the development of a household energy-rating scheme for new buildings and an environmentally friendly and energy-efficient refrigerator (and other products).

Keep tuned to CHOICE for energy-saving tips and other greenhouse and wallet-wise information.

*Can you help?*

## Smoke alarms

House fires cause a great deal of grief and damage each year. Fortunately, more and more people are installing smoke alarms.

We're planning an article on these devices and would like to ask for your help:

- Have you installed a smoke alarm in your home?
- What is its make and model name or number?
- Have you had a fire in your home that your smoke alarm warned you about?
- Has there been a situation where your smoke alarm didn't go off although you thought it should have (for example, due to visible smoke)?
- If so: do you know whether it was because of a manufacturing fault or because of a flat battery (if battery operated)?
- Alternatively, have you found the alarm too sensitive — liable to go off when you're using your grill, for example?
- Did you contact the manufacturer about any of these problems? What was the outcome?

If you're able to help, please send your experiences and — if possible — your daytime phone number to CHOICE, **Smoke alarms**, 57 Carrington Road, Marrickville 2204, fax to (02) 9577 3377, or email us on ausconsumer@choice.com.au by March 31, 1997.

Thank you for your help.

# EMFs: Less reason to worry

**ON SEVERAL** occasions we've reported on the debate over the possible health risks posed by electromagnetic fields (EMFs). EMFs in the home are produced by electric and electronic equipment such as TVs, computers, mobile phones and electric blankets, and they stand accused of contributing to a number of health problems, from learning difficulties to cancer.

Our sister organisation in the US, the Consumers Union, has reported on a recent study by the US National Research Council that examined more than 500 studies on EMFs spanning 17 years of research — and it seems to provide some reassurance.

The report says there's no conclusive evidence that *residential* exposure to electromagnetic fields plays a role in the development of cancer, reproductive and developmental abnormalities, or learning and behavioural problems. And in laboratory studies, no evidence has been found that the EMF levels common in homes can alter the functions of cells or damage the genetic code (DNA). Even so, we think authorities should remain vigilant and research should continue.

**A new report suggests that EMF levels common in homes are unlikely to be a health problem.**

## Test of parliamentarians?

As individual electors we are, I believe, badly served by our elected federal representatives. In support of the above I offer three short case studies:

■ I wrote to the Minister for Communications three times over a period of three months. All I've received is a press statement that didn't address any of my concerns. So my questions remain unanswered four months after my first letter.

■ I wrote to the Minister for Sport and when I hadn't received a reply after almost two months, I wrote to the Prime Minister about the matter. That way I finally received a response — three months after my first enquiry.

■ I wrote to my local member of parliament and he — unlike the ministers — reacted quickly. The reply, however, proved to be a press release that didn't address any of the matters I raised in my letter.

These examples constitute poor service. If these individuals operated in the 'real world', their customers would be shunning them in droves. Shouldn't we expect and deserve better from our elected representatives?

It might be interesting for CHOICE to undertake a test of our parliamentarians and give them a performance score on the basis of response times and reply content.

**J H Hagan**
**Taroona, Tasmania**

*Thank you for this interesting test suggestion — we'll add it to our list of ideas for consideration. Our policy and campaigning magazine, Consuming Interest, has in the past given each of the Consumer Affairs ministers a yearly report card — perhaps other parliamentarians need the same treatment.*

## Too many renewal reminders?

I've just renewed my subscription to your fine publication for another year. We've found your articles and tests of great interest and utility for us.

However, we were less than impressed with the recent renewal drive. Last month I received your reminder, together with some promotional material and a reply-paid envelope. I put the information aside to process after my next payday.

Less than a month later I was very surprised to receive a further reminder about my subscription renewal, together with still more promotional material and another reply-paid envelope.

It may seem that I'm somewhat petty, but it would seem to me that my subscription price could have been at least $2 cheaper if you hadn't sent the further reminder. I'm also concerned about the energy and paper waste involved.

**Les Smith**
**via e-mail**

*We understand your concern about the potential waste of resources in sending out subscription reminder letters. Unfortunately, a lot of our subscribers need several reminders before they renew their subscriptions — we often receive renewals several weeks or even months after the subscription has lapsed.*

*We've found it costs less overall to mail out extra reminders to keep the subscribers we already have than it does to bring in new subscribers. In addition, when subscriptions do come in late, it costs extra to hand-prepare and specially mail their missed magazines.*

*We always try to use our resources as efficiently as possible in order to allocate the maximum proportion to testing and reporting on important consumer issues.*

*You can assist us by using AutoCHOICE and authorising us to debit your bank or credit card account when your renewal is due. Of course, we'll always notify you before the debit is made. You'll receive an AutoCHOICE application form with your next renewal notice, or call us on (02) 9577 3399 or (02) 9577 3277 to get one.*

## Staying sharp

I was interested to read your item on handheld circular saws (October 1996). I was surprised that in dealing with safety issues, no mention was made of that most important point, 'keep the blade sharp!'. Even tungsten-carbide blades can be quickly blunted — for example, cutting painted wood, hidden nails, dried cement on old timber, etc.

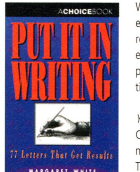
To continue to use a severely blunted blade is extremely dangerous. Greater pressure is required, overheating of the blade will occur, motor burn-out is likely. Although this doesn't affect a newly purchased saw, it is an ongoing safety hazard once the saw becomes blunt.

**R G Taylor**
**Hobart, Tas**

*It's true that tungsten-carbide blades do become blunt and this can be a safety problem, though this happens much more slowly than with ordinary steel blades. If your tungsten-carbide blade becomes blunt, you may find it's cheaper to buy a new blade than to have the old one sharpened.*

**Turn to page 38 for more letters.**

## LETTER OF THE MONTH

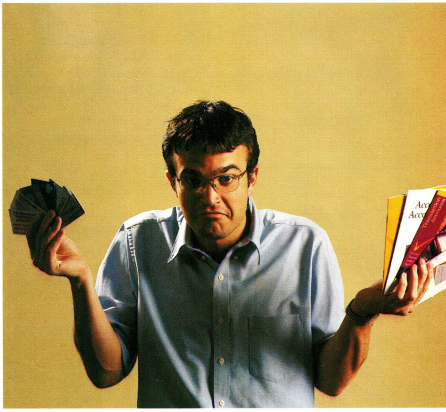



We want to hear from you — your experiences help us greatly in our research. We'd also like to hear your experiences using CHOICE to buy a product or service: did it save you money, time or disappointment?

To say thanks for writing to us, each *Your Letters* will award a prize of a CHOICE book to the 'Letter of the month'. This month's winner, JH Hagan of Taroona in Tasmania, receives *Put it in writing* for his letter.

Unfortunately we don't have the resources to answer all your letters personally. We also reserve the right to cut parts of longer letters for publication. See page 2 for how to reach us by mail, fax or e-mail.

*Fees are up and so are bank profits. Interest rates are way down. So how can you find the right bank account? And are you currently paying too much in fees? This report gives you the answers and helps you choose the account that will save you the most money.*



# Savings: *on no account*

WHEN DECIDING WHERE TO PUT your savings and investments, you can't do much worse than your average transaction account, especially in the current environment of low interest rates.

To help you choose the best account and reduce your costs, we've examined everyday transaction accounts — sometimes referred to as 'savings' accounts — offered by banks, credit unions and building societies. The accounts all have cheque and card facilities.

This report also explains account fees and charges imposed by both financial institutions and governments. We show how you may be able to reduce or even avoid some of these charges. We also look at the interest rates paid on these accounts, and the convenience of the services provided by financial institutions.

On page 12 we bring it all together and highlight the best — and worst — accounts for three kinds of people with representative banking habits.

## Transactions vs investments

Transaction accounts are really facilities for your regular money management — which is the focus of this report. Although many people still use such accounts for savings purposes, there are much more effective ways to save, even if you're after a low-risk home for your money. In fact, the challenge with transaction accounts is how to stop your money going backwards rather than how to build your savings.

Other sorts of account are better suited to your savings, so if you accumulate a reasonable balance in a transaction account, such as $1000 or more, consider moving some of it to a more rewarding investment such as a term deposit (if you prefer lower risk) or shares (if you're OK with higher risk). Remember that you'll forgo some flexibility, and note that you may have to leave a minimum balance in your transaction account to avoid some types of fee. (For *Where to invest $5000 to $10,000*, see CHOICE, October 1996).

## Fees — the only way is up?

You've probably seen recent bank advertisements full of happy, satisfied bank customers. Clearly these people have not been told about what's happening with bank fees — the smiles would soon disappear from their faces.

### IN BRIEF

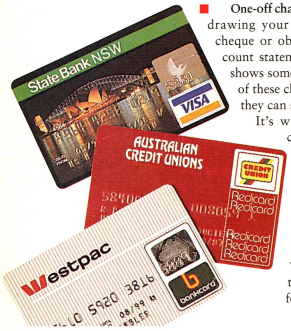
- Everyday transaction accounts are for regular money management, not for building savings. In fact the challenge is how to stop your money going backwards through the fees you pay.
- In times of rock-bottom interest rates — like now — many people will be earning no interest at all from their transaction accounts. Move your savings to investments that pay better rates, such as term deposits.
- Government taxes on your account could even exceed the cost of bank charges — they're another way you lose money.

Banks are systematically raising existing fees and charges. They're also coming up with new charges that hit every aspect of your transactions. And they're making some fees harder to avoid. The fees and charges are also confusing, as each financial institution has its own particular combination, making comparison very difficult.

Generally, charges can be divided into three types: account-keeping fees, transaction fees and one-off charges.

■ Most institutions which charge **account-keeping fees** only do so when the minimum monthly balance falls below a certain amount (often $300 or $500). Unfortunately for many people, especially those on lower incomes, it may be impossible to regularly maintain a higher account balance, and this penalty remains an unfair banking practice.

■ **Transaction fees** are levied in a variety of ways. Most apply to withdrawals — deposits are usually free. Many accounts have a set number of free transactions per month, beyond which you'll pay fees.




■ **One-off charges** are for things like overdrawing your account, buying a bank cheque or obtaining a replacement account statement. The list on the right shows some of the bewildering array of these charges and how much they can sometimes amount to.

It's worth noting that one-off charges can be very steep. It's easy to forget this because you generally incur such charges less often and details about them are harder to get hold of. For example, if you bounce a cheque you may have to pay $35 at TRUST BANK — more than the account-keeping charges for the whole year!

Some services and transactions you may pay for, with some examples, are:

■ Buying a bank cheque (ADELAIDE BANK $5).

■ Replacing a bank cheque (NAB $25).

■ Credit transfer to another bank by mail (ADVANCE BANK $5.50).

■ Writing a cheque that bounces (ANZ $35).

■ Banking a cheque that bounces (BANK SA $10).

■ Replacing a bank statement (WESTPAC $7 per page).

## Government taxes

Government taxes also hit your transaction account. In many cases they will even exceed the cost of bank charges.

There are two types of government tax, Financial Institutions Duty (FID) and Debits Tax. Both are charged by your state or territory.

■ **FID** is charged on all deposits into accounts, except in Queensland. It takes out a flat percentage of the deposit, which is 0.06% in most states. This means that on a deposit of $1000 you will pay FID of 60 cents. This may not seem like much, but if your entire year's salary goes into your account, FID can add up to more than you'd want to lose (for example, $21 if your salary was $35,000).

■ **Debits Tax** is charged on all withdrawals from accounts with a cheque facility (in the ACT, starting this July for the first time). It's based on a sliding scale that penalises customers who make smaller withdrawals relatively more than those who withdraw larger amounts. Debits Tax has a greater impact than FID on most customers with cheque accounts.

Some exemptions apply to FID and Debits Tax. For example, payments made into your account by the Department of Social Security are exempt from FID.

The table below shows the levels of FID and Debits Tax in each state.

## Financial Institutions Duty (FID) and Debits Tax

| | FID | DEBITS TAX | | | | |
|---|---|---|---|---|---|---|
| | Per $100 deposited | $1 to $99 withdrawn | $100 to $499 withdrawn | $500 to $4999 withdrawn | $5000 to $9999 withdrawn | $10,000 or more withdrawn |
| ACT | $0.06 (A) | $0.30 (B) | $0.70 (B) | $1.50 (B) | $3.00 (B) | $4.00 (B) |
| NSW | $0.06 | $0.30 | $0.70 | $1.50 | $3.00 | $4.00 |
| NT | $0.06 | $0.15 | $0.70 | $1.50 | $3.00 | $4.00 |
| Queensland | 0 | $0.30 | $0.70 | $1.50 | $3.00 | $4.00 |
| SA | $0.065 | $0.30 | $0.70 | $1.50 | $3.00 | $4.00 |
| Tasmania | $0.06 | $0.30 | $0.50 | $0.90 | $1.65 | $2.15 |
| Victoria | $0.06 | $0.30 | $0.70 | $1.50 | $3.00 | $4.00 |
| WA | $0.06 | $0.15 | $0.35 | $0.75 | $1.50 | $2.00 |

**(A)** This rate will apply from July 1997; at present it's $0.10.
**(B)** These rates will apply from July 1997; at present the Debits Tax isn't applied in the ACT.

## How to reduce fees and charges

The first step is to find out what fees and charges apply to your account. Ask your branch for a full list — it should be readily available. Then work out which fees affect you the most. Checking your next account statement is a good place to start.

Be prepared to change to another financial institution where fees of the sort that hit you hardest aren't charged or are lower — or better still, where you can qualify for an exemption from all fees (such as if you're under 21). Many credit unions and building societies have lower fees than the banks, but unfortunately some have started to introduce a wider range of charges.

### Account-keeping fees

Try to maintain your balance above the minimum level (usually $300 or $500). One way of making this task easier if you have several accounts may be to consolidate them into a single account. Also, very few credit unions and building societies have these fees.

### Transaction fees

The key to avoiding these fees is to make use of free transactions. How many can you make each month? Find out, and try and stick to the limit — which may take a bit of planning. Remember also that transactions cover almost every banking activity, including writing cheques and EFTPOS (although most institutions don't charge for deposits).

**TIPS:**

**1.** If possible, use ATMs rather than over-the-counter transactions, as they're usually cheaper.

**2.** Use the ATMs belonging to your own institution if possible. Many institutions charge more for the use of other banks' ATMs.

**Using an ATM is often cheaper these days than making a transaction over the counter, but try to stick with your bank's own ATMs — using another institution's usually costs you more money.**

**3.** Staying above a specified minimum monthly balance may also mean you avoid transaction charges with some accounts.

### One-off fees

The difficulty with these fees and charges is their number and diversity, but some of the more obvious ones can be avoided quite easily.

**TIPS:**

**1.** Try and keep track of your balance, as accidentally overdrawing can be very expensive, especially when writing cheques. Charges for overdrawing may include a fee *and* an interest charge on the outstanding amount.

## Will your money be safe in the bank?

The banks are enjoying record profits and still raising fees. Clearly this industry needs a shake-up so that consumers can get a fair deal. The spark for change could be the government's 'Financial System Inquiry' — but will the Treasurer ensure that you're better off, or will the banks be the winners? The Inquiry, which is due to report in March (it's also known as the Wallis Inquiry, after its chairman, Stan Wallis), raises some important questions for you:

- Do you still want your money to be safe in the bank? We must have an explicit government guarantee for deposits — a 'safe haven' in the financial system. The current system should be improved so that the real risk for depositors is much clearer. What we definitely don't need is an outcome that lets banks or government off the hook and exposes account holders to the potential of big losses.
- The finance industry is using the Inquiry to launch an attack on essential consumer protection regulation such as the Trade Practices Act. We need a strong watchdog that protects consumers against rip-offs and rorts — and such a watchdog needs effective laws to back its actions. The banking industry wants this regulatory protection removed. Will the Treasurer allow the banks to get away with this assault on your consumer rights?
- The Inquiry may give the green light to another round of bank takeovers and mergers — for example, the NAB may gobble up Westpac. But why should the 'big four' banks be allowed to become the 'big two'? We already have a very concentrated banking sector — how could less choice, higher profits and even more powerful banks bring any benefits to consumers?

Help us make sure the Wallis Inquiry brings benefits to Australian consumers, not just more profits for the banks. Make your views on these issues known, so the banks don't get it all their way from the Wallis Inquiry. You can write to:

- The Prime Minister, The Hon John Howard MP, fax (06) 273 4100.
- The Treasurer, The Hon Peter Costello MP, fax (06) 273 3420.

Letters can be addressed to Parliament House, Canberra 2600.

## Telephones, the Internet and smart cards

New forms of access and payment are appearing regularly in the banking sector. Telephone banking, especially for bill paying, is a convenient option you can consider. Internet banking is now here, although the range of things you can do is still very limited, and many of the bank 'homepages' just consist of marketing and advertising. Finally, smart cards are due to arrive very soon (see CHOICE, February 1996).

You need to keep two points in mind when using these new technologies.

■ **Security.** Make sure you're confident about who you're dealing with when banking electronically, and take care with your PIN and passwords.

■ **Cost.** If the new banking technologies follow the trend of ATMs and EFTPOS, they'll start out cheap or even free — but the price rises won't be long coming! So be aware that you may be paying fees now or in the near future. Telephone banking may already be costing you money: for example, the **NATIONAL AUSTRALIA BANK** charges 30 cents for every bill paid over the phone.

2. Don't throw out your statements for the past year, as you may need them later for tax or accounting purposes, and you'll probably be charged for replacements. Similarly, you may be charged if you wish to verify a transaction — another good reason to keep statements for a year or so.

3. When possible, avoid less common, more expensive services such as bank cheques.

### ■ Fee exemptions

A wide range of fee exemptions applies to many accounts. For example, some institutions don't charge fees for pensioners, people under the age of 18 or tertiary students. If you have a loan or a credit card at the same institution as your account you may also be exempt — in fact CHOICE thinks it should be an automatic exemption. Ask your financial institution for a list to see if you qualify for an exemption, as they rarely go out of their way to alert you to them (and see the tables on pages 14 and 15 for a summary).

### ■ Reducing government taxes

These are generally harder to reduce, although banking in Queensland will avoid FID — but we're not suggesting you move for this reason.

Making fewer withdrawals, each of a greater amount, can lessen the impact of Debits Tax.

One way to avoid it altogether is not to have an account with a cheque facility. If you can survive without cheques you can escape this tax. For example, you could pay your bills with a credit card and then settle with a money transfer. But remember it's more than simply not using cheques — you must have an account with no cheque facility at all. Even if you rarely use your cheque book, the fact that you have one means you still face Debits Tax on all withdrawals from your account, including withdrawals from ATMs and EFTPOS.

Despite the spread of electronic banking, cheques are still a very popular form of payment — around three million cheques are written each day by businesses and consumers. So we've chosen to continue focusing on accounts with a cheque facility.

### ■ Fees and your income tax

The interest you earn on your account is a form of income and therefore subject to income tax. Fees and charges you incur in the earning of this income are expenses and are therefore tax-deductible. This is one good reason for keeping your account statements — to keep track of fees and charges for taxation purposes. Talk to your tax adviser or check the Tax Pack for more information on the tax deductibility of account fees and charges.

## Losing interest

The good news over the past year has been falling home loan interest rates. But the bad news is falling interest rates paid on your deposits — something the banks are less interested in shouting about. While interest rates on transaction accounts have never been impressive, at present they're rock bottom. Many people will currently be earning no interest at all on their transaction account, despite paying double-digit interest on personal loans or credit cards.

The way most people use them, standard transaction accounts lose more in fees and charges (including government taxes) than they earn in interest. As we pointed out earlier, your savings will almost certainly be better off in an investment account if you wish to earn decent rates. For example, the average interest rate from the big four banks (**ANZ, COMMONWEALTH, NATIONAL** and **WESTPAC**) on a $5000 term deposit for one year is 5.5%. In your transaction account you'll get 0.5% or 1% for the same amount from the big four.

Most of the institutions we reviewed have multi-

## A note on deeming accounts

Deeming accounts are special accounts available only to most older people and/or social security recipients. The conditions applying to deeming accounts are changing in March, and the deeming interest rate was changed at the end of January, so unfortunately it's a bit premature to review these accounts at this point in time — but we'll keep you posted. If you wish to find out about the new rules and rates, contact:

■ Department of Social Security: 13 23 00 and go through the phone menu to speak to an operator.

ple interest rates, paying more interest the higher the balance; some have only two rates while others have up to six. Don't just look at the top rate — concentrate on the rate applying to the amount you usually keep in your account.

**TIP:** If your account balance is usually less than $2000 or so, don't worry about the interest rate when shopping around for an account at present, as it will be too low to make a meaningful difference to your money. For the same reason, don't worry about the frequency with which interest is credited (such as monthly or quarterly). Concentrate on reducing fees and maximising convenience.

## Other account features

### Convenience

There are several aspects to how convenient your account is for you. For example:

- Is there a branch near your home or work?
- Does your bank have a good ATM network, or will you have to pay to use other banks' ATMs?
- If you need to, can you use your account easily all over Australia?
- Does your bank offer weekend opening hours?

These are some of the convenience factors to assess alongside the fees and (when they're worth considering again) interest rates. You may be prepared to have an account with higher fees if it's particularly convenient.

### The 'bells and whistles'

These days you can get all sorts of weird and wonderful add-ons with your account — if that's what you want. These may include useful facilities such as term deposit bonuses, or more gimmicky features such as restaurant discounts. Check your bank's 'extras' to find out if any are of benefit to you. But be realistic — are you really going to use them?

Keep in mind when assessing any extras that the basic cost of the account is likely to have a bigger impact than any gains you make, so don't be sucked in by a cute add-on without considering the fees and charges. After all, someone eventually has to pay for the bells and whistles, not to mention the expensive advertisements, and it won't be the bank.

WESTPAC and ST GEORGE are two banks which have a lot of extras on some of their accounts, including:

- Shoppers' hotline.
- Discount travel insurance.
- Free legal advice helpline.
- Term deposit bonuses.
- Box office preferred seating.
- Personal loan discounts.

## Putting it all together

So which account will it be? We've explained the key features you should consider in any account — the level of fees and charges, interest rates, convenience and extras. But deciding on a transaction account requires not only a knowledge of the account features but also your own banking behaviour.

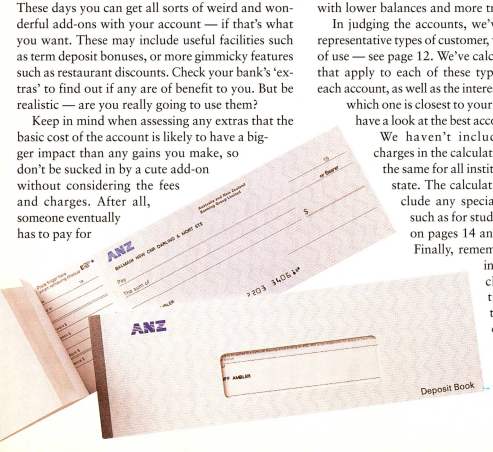
- What is your minimum monthly balance?
- How many transactions do you make each month?
- What type are your transactions — ATMs and EFTPOS, cheques or over-the-counter?
- How often do you use 'one-off' services?
- How important is easy access?

It's surprising how important your banking pattern may be in the selection of an account. For example, COLONIAL STATE BANK rates near the top if you have a high balance and make relatively few transactions, but near the bottom for customers with lower balances and more transactions.

In judging the accounts, we've looked at three representative types of customer, with three patterns of use — see page 12. We've calculated the charges that apply to each of these types of customer in each account, as well as the interest they earn. Check which one is closest to your situation and then have a look at the best accounts in that range.

We haven't included government charges in the calculations, but they'll be the same for all institutions within each state. The calculations also don't include any special fee exemptions, such as for students (see the tables on pages 14 and 15 for a list).

Finally, remember that financial institutions regularly change the conditions applying to their accounts. So check the details of charges and interest rates before you change to a new account.




## Solving the problem

**Where do you go if you have a disagreement with your bank, credit union or building society over your transaction account? The industry dispute resolution schemes can be a good place to start. They're free for consumers.**

- **The Australian Banking Industry Ombudsman (1800 337 444).**
- **The Credit Union Dispute Reference Centre (1800 624 241).**

**Building societies don't have an independent dispute scheme, but they do have a recommended procedure for each institution to follow in case of complaint. Otherwise contact your consumer affairs department or office of fair trading if you have a problem.**

# Which account is best for you?

## Customer type 1: Maria

**Low balance, medium use**

Maria is still in the early stages of her working life. The amount she sets aside for saving is transferred to another account, where the temptation to raid it is reduced. Maria's balance is low for most of the year, and with a busy lifestyle she occasionally goes into the red.

- **Minimum monthly balance — $100.**
- **Withdrawals per month:**

| | |
|---|---|
| ATMs, own institution | 4 |
| ATMs, other institution | 1 |
| Cheques written | 3 |
| EFTPOS | 4 |
| Over-the-counter withdrawals | 1 |

- **Deposits per month:**

| | |
|---|---|
| Direct credits (pay) | 2 |
| Cash deposit | 1 |
| Cheques received | 1 |

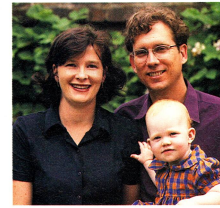
- **One-offs per year:**

| | |
|---|---|
| Bank cheque | 1 |
| Bounced cheque | 1 |

### Best and worst accounts

***Best:*** **BANK OF QUEENSLAND Ultimate Savings.**
***Worst:*** **ANZ BANK Access Flexible.**
***Best of the Big Four:***
**COMMONWEALTH BANK Streamline** and **NATIONAL AUSTRALIA BANK Flexi Account**

Banks are expensive places for people like Maria — you lose money in every account, ranging from around $49 a year to as much as $130. With only a few exceptions, the building societies and credit unions we looked at offered a better deal, so people whose banking habits are similar to this scenario should certainly check out their local ones.



## Customer type 2: Mark and Melanie

**Medium balance, high use**

Mark and Melanie have a lot of money flowing into and out of their shared account, as it receives two incomes and copes with a wide set of family-related expenses.

- **Minimum monthly balance — $750.**
- **Withdrawals per month:**

| | |
|---|---|
| ATMs, own institution | 6 |
| ATMs, other institution | 2 |
| Cheques written | 4 |
| EFTPOS | 6 |
| Over-the-counter withdrawals | 4 |

- **Deposits per month:**

| | |
|---|---|
| Direct credits (pay) | 2 |
| Cheques received | 1 |

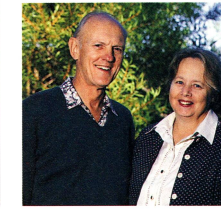
- **One-offs per year:**

| | |
|---|---|
| Bank cheque | 1 |
| Replacement statement | 1 |

### Best and worst accounts

***Best:*** **BANK OF MELBOURNE Personal Current and METWAY BANK Action.**
***Worst:*** **ANZ BANK Access Value.**
***Best of the Big Four:***
**NATIONAL AUSTRALIA BANK Flexi Account.**

Even with their higher minimum balance, there's still no bank account that doesn't cost Mark and Melanie money. However, if they can use either of the two best accounts (see page 14 for locations), they can keep this down to around $6 per year. With the best of the Big Four they'll be about $25 out of pocket. A few accounts are a real trap for people with these banking habits, including some from the Big Four. In this scenario, building societies and credit unions weren't much better.



## Customer type 3: Michael and Mary

**High balance, medium use**

Michael and Mary have a higher balance and don't use their account as much as Maria or Mark and Melanie. They generally have less of a preference for electronic banking.

- **Minimum monthly balance — $5000.**
- **Withdrawals per month:**

| | |
|---|---|
| ATMs, own institution | 2 |
| Cheques written | 3 |
| EFTPOS | 1 |
| Over-the-counter withdrawals | 2 |

- **Deposits per month:**

| | |
|---|---|
| Direct credits (pay) | 2 |
| Cash deposit | 1 |
| Cheques received | 1 |

- **One-offs per year:**

| | |
|---|---|
| Bank cheque | 1 |

### Best and worst accounts

***Best:*** **BANK OF NEW ZEALAND Smarter Access.**
***Worst:*** **ST GEORGE BANK Select Deluxe.**
***Best of the Big Four:***
**COMMONWEALTH BANK Streamline.**

Most bank accounts at least give Michael and Mary a small profit, though a few still cost them money. It's definitely worth shopping around if you're in this position — at least one of the building societies we checked would see you $235 better off a year, and the difference between the best and worst bank accounts is around $140.

## The bottom line: annual gains or losses before government taxes

| Institution / account (in alphabetical order)* | MARIA | | | MARK AND MELANIE | | | MICHAEL AND MARY | | |
|---|---|---|---|---|---|---|---|---|---|
| | Interest | Charges | Overall | Interest | Charges | Overall | Interest | Charges | Overall |
| **BANKS** | ($) | ($) | ($) | ($) | ($) | ($) | ($) | ($) | ($) |
| **ADELAIDE BANK** Merlin | 0 | 85.00 | -85.00 | 0 | 79.00 | -79.00 | 75.52 | 23.00 | 52.52 |
| **ADVANCE BANK** Everyday | 0 | 110.60 | -110.60 | 0 | 120.00 | -120.00 | 50.13 | 19.40 | 30.73 |
| **ANZ BANK** Access Flexible | 0.25 | 131.00 | -130.75 | 1.88 | 90.00 | -88.12 | 25.05 | 6.00 | 19.05 |
| **ANZ BANK** Access Value | 0.25 | 125.00 | -124.75 | 1.88 | 126.00 | -124.12 | 25.05 | 54.00 | -28.95 |
| **BANK OF MELBOURNE** Personal Current | 0.25 | 71.00 | -70.75 | 1.88 | 8.00 | -6.12 | 50.19 | 5.00 | 45.19 |
| **BANK OF NEW ZEALAND** Smarter Access | 0 (A) | 55.10 | -55.10 | 0 (A) | 34.90 | -34.90 | 100.92 (A) | 2.50 | 98.42 |
| **BANK OF QUEENSLAND** Ultimate Savings | 0 | 49.00 | -49.00 | 0 | 72.00 | -72.00 | 88.08 | 6.00 | 82.08 |
| **BANK SA** Everyday Saving & Cheque | 0 | 51.00 | -51.00 | 0 | 48.00 | -48.00 | 50.19 | 5.00 | 45.19 |
| **BANKWEST** Complete | 0.25 | 89.00 | -88.75 | 1.88 | 35.00 | -33.12 | 37.61 | 5.00 | 32.61 |
| **BENDIGO BANK** Ultimate | 0.50 | 55.30 | -54.80 | 3.75 | 45.90 | -42.15 | 25.03 | 15.80 | 9.23 |
| **CHALLENGE BANK** Classic | 0.25 | 99.60 | -99.35 | 1.88 | 115.00 | -113.12 | 25.05 | 6.00 | 19.05 |
| **CHALLENGE BANK** Classic Plus | 0.25 | 96.00 | -95.75 | 1.88 | 73.00 | -71.12 | 25.05 | 66.00 | -40.95 |
| **CITIBANK** Citicheque | 0.25 | 93.00 | -92.75 | 1.88 | 116.00 | -114.12 | 40.15 | 63.00 | -22.85 |
| **COLONIAL STATE BANK** All-in-One | 0.50 | 116.70 | -116.20 | 3.76 | 99.10 | -95.34 | 126.44 | 44.70 | 81.74 |
| **COMMONWEALTH BANK** Streamline | 0.25 | 87.20 | -86.95 | 1.88 | 31.50 | -29.62 | 50.19 | 5.00 | 45.19 |
| **METWAY BANK** Action | 0.25 | 53.00 | -52.75 | 1.88 | 8.50 | -6.62 | 37.57 | 4.00 | 33.57 |
| **NATIONAL AUSTRALIA BANK** Flexi Account | 0.25 | 88.00 | -87.75 | 1.88 | 27.00 | -25.12 | 25.05 | 5.00 | 20.05 |
| **ST GEORGE BANK** Select Deluxe | 0.10 | 93.50 | -93.40 | 0.75 | 92.60 | -91.85 | 5.00 | 51.50 | -46.50 |
| **TOWN AND COUNTRY BANK** Cashpower Savings Card | 0.75 | 63.00 | -62.25 | 5.64 | 51.00 | -45.36 | 75.28 | 21.00 | 54.28 |
| **TRUST BANK** Action Cheque | 0.50 | 88.00 | -87.50 | 3.76 | 42.50 | -38.74 | 37.61 | 29.00 | 8.61 |
| **WESTPAC** Classic | 0.25 | 99.60 | -99.35 | 1.88 | 115.00 | -113.12 | 25.05 | 6.00 | 19.05 |
| **WESTPAC** Classic Plus | 0.25 | 96.00 | -95.75 | 1.88 | 73.00 | -71.12 | 25.05 | 66.00 | -40.95 |
| **BUILDING SOCIETIES AND CREDIT UNIONS** | | | | | | | | | |
| **AUSTRALIAN CENTRAL CREDIT UNION** My Account | 0.50 | 36.00 | -35.50 | 5.64 | 113.50 | -107.86 | 62.86 | 6.00 | 56.86 |
| **CPS CREDIT UNION** (SA) Access Savings | 0 | 31.00 | -31.00 | 3.75 | 44.50 | -40.75 | 75.00 | 6.00 | 69.00 |
| **ENDEAVOUR CREDIT UNION** Prime Access | 0.25 | 31.00 | -30.75 | 1.88 | 150.00 | -148.12 | 50.12 | 6.00 | 44.12 |
| **ENTERPRISE CREDIT UNION** On Call | 0.50 | 31.00 | -30.50 | 3.76 | 32.00 | -28.24 | 50.19 | 6.00 | 44.19 |
| **FIRST PROVINCIAL BUILDING SOCIETY** First Account | 0.25 | 21.00 | -20.75 | 1.88 | 24.00 | -22.12 | 35.12 | 6.00 | 29.12 |
| **GREATER BUILDING SOCIETY** Access | 0 | 15.00 | -15.00 | 0.63 | 44.60 | -43.97 | 48.92 | 6.00 | 42.92 |
| **HERITAGE BUILDING SOCIETY** Money Manager | 1.51 | 36.00 | -34.49 | 11.31 | 8.50 | 2.81 | 215.91 | 6.00 | 209.91 |
| **HOME BUILDING SOCIETY** One Account | 0 | 95.00 | -95.00 | 9.42 | 117.00 | -107.58 | 62.79 | 6.00 | 56.79 |
| **IMB BUILDING SOCIETY** Every Day | 0.25 | 63.00 | -62.75 | 1.88 | 71.00 | -69.12 | 75.28 | 6.00 | 69.28 |
| **ISLAND STATE CREDIT UNION** On Call Savings | 0 | 21.00 | -21.00 | 1.88 | 49.00 | -47.13 | 50.00 | 6.00 | 44.00 |
| **NEWCASTLE PERMANENT BS** Cheque | 0.50 | 33.00 | -32.50 | 3.76 | 63.60 | -59.85 | 65.21 | 6.00 | 59.21 |
| **NORTHERN BUILDING SOCIETY** Cheque | 0.25 | 68.40 | -68.15 | 1.88 | 63.20 | -61.32 | 12.51 | 10.80 | 1.71 |
| **SUNCORP BUILDING SOCIETY** Cash Access | 0.25 | 57.50 | -57.25 | 1.88 | 71.00 | -69.12 | 22.53 | 6.00 | 16.53 |
| **UNITED CREDIT UNION** Access Plus | 0 | 168.00 | -168.00 | 3.75 | 11.00 | -7.25 | 75.00 | 6.00 | 69.00 |

* The 'Big Four' banks, as they're colloquially known, are the ANZ, Commonwealth, National Australia and Westpac.

The calculations assume no special fee exemption categories (such as for social security recipients).

We've used a flat charge of $6 for 'bank cheques' when calculating each scenario for building societies and credit unions (this is the cost of a Westpac cheque). This is because credit union and building society cheques may not always be accepted — for example, for real estate transactions. We don't agree with this different treatment, but it's still quite common.

**(A)** Indicative rates only — this account will be available from March 1, 1997.

**We've noted the best and worst bank accounts for each type of customer, but as the figures in Table 1 show, it may be very worthwhile checking out your local building society or credit union — you could end up with a better deal. Because there are hundreds of these institutions across Australia, some of them very locally based, it's not possible for us to give any general recommendations, but definitely take a look at them when you're shopping around.**

# Bank accounts

**Some institutions have more than one account with a cheque facility; we examined those the institution regards as 'standard' transaction account(s) with cheque access.**

| | 1 FEES AND CHARGES | | | 2 INTEREST* | | 3 ACCESS | |
|---|---|---|---|---|---|---|---|
| **Institution / account** | **Account-keeping fees per month** | **Free transactions per month** | **Fee exemptions** | **% / $500** | **% / $5000** | **ATM networks** | **Branch locations** |
| **ADELAIDE BANK** Merlin | 0 | 5 if mmb <$500, 10 if mmb ≥$500 inc 4 OTC (own ATMs free) | Pensioner, under 18, tertiary student, other **(C)** | 0 | 1.5 | All except C'wealth, NAB and Westpac | Qld, SA |
| **ADVANCE BANK** Everyday **(A)** | $2 if mmb <$500 | 5 WD | Under 21, home/investment loan, other **(D)** | 0 | 1 | ANZ, Cashcard, Redi*tel*ler | ACT, NSW, Qld, SA, Vic, WA |
| **ANZ BANK** Access Flexible | $4 if mmb <$500 | 10 WD (max 4 OTC) | Under 18, tertiary student, home/investment loan, other **(E)** | 0.25 | 0.5 | All except C'wealth and Westpac | Nationwide |
| **ANZ BANK** Access Value | $4 if mmb <$500 | 20 WD (no free OTC) | Under 18, tertiary student, home/investment loan, other **(E)** | 0.25 | 0.5 | All except C'wealth and Westpac | Nationwide |
| **BANK OF MELBOURNE** Personal Current | $3 if mmb <$300 | All | Pensioner, under 18, tertiary student **(F)**, debit card | 0.25 | 1 | ANZ, Cashcard, NAB, Redi*tel*ler | NSW, Qld, SA, Vic, WA |
| **BANK OF NEW ZEALAND** Smarter Access | $2 if mmb <$500 | 8 paper, 8 elec | None | 0 **(K)** | 2 **(K)** | ANZ, NAB, Redi*tel*ler | NSW, Qld, SA, Vic, WA |
| **BANK OF QUEENSLAND** Ultimate Savings | 0 | 5 OTC, 10 elec | Home/investment loan | 0.25 | 1.75 | ANZ, state banks | Qld |
| **BANK SA** Everyday Saving & Cheque | $2 if mmb <$300 | 5 (own ATM WDs free), all if mmb >$5000 | Pensioner, tertiary student, home/investment loan, personal loan | 0 | 1 | All except C'wealth and Westpac | NT, Qld, SA |
| **BANKWEST** Complete | $2 if mmb <$500 | 8 if mmb <$500, all if mmb ≥$500 **(B)** | Under 21, tertiary student | 0.25 | 0.75 | All except C'wealth | NSW, Qld, SA, Vic, WA |
| **BENDIGO BANK** Ultimate | 0 | 5 (own ATMs, EFTPOS free) | Other **(G)** | 0.5 | 0.5 | ANZ, Cashcard, NAB, Redi*tel*ler | ACT, NSW, Vic |
| **CHALLENGE BANK** Classic | $3 if mmb <$350 | 10 | Home/investment loan | 0.25 | 0.5 | BankWest, C'wealth, Westpac | NSW, Qld, SA, Vic, WA |
| **CHALLENGE BANK** Classic Plus | $5 | All | Home/investment loan | 0.25 | 0.5 | BankWest, C'wealth, Westpac | NSW, Qld, SA, Vic, WA |
| **CITIBANK** Citichequ*e* | $5 | 20 | None | 0.25 | 0.8 | ANZ, Cashcard, NAB, Redi*tel*ler | Nationwide except NT |
| **COLONIAL STATE BANK** All-in-One | $2.50 if mmb <$500 | None | Home/investment loan | 0.5 | 2.5 | All except C'wealth and Westpac | ACT, NSW, Qld, Vic |
| **COMMONWEALTH BANK** Streamline | $2 if mmb <$500 | 8 elec, 4 OTC WD if mmb <$500, all if ≥$500 | Pensioner, under 21, tertiary student, home/investment loan, other **(H)** | 0.25 | 1 | Westpac | Nationwide |
| **METWAY BANK** Action | 0 | 8 elec, 4 OTC if mmb <$500, all if ≥$500 | None | 0.25 | 0.75 | ANZ, Cashcard | NSW, Qld, Vic |
| **NATIONAL AUSTRALIA BANK** Flexi Account | $2 if mmb <$500 | 8 (inc max 4 OTC) if mmb <$500, all if ≥$500 | Under 21, tertiary student, home/investment loan, personal loan, other **(J)** | 0.25 | 0.5 | All ex. Cashcard, C'wealth, Westpac | Nationwide |
| **ST GEORGE BANK** Select Deluxe | $4 | 12 (own ATMs free) | Home/investment loan | 0.1 | 0.1 | All except C'wealth and Westpac | ACT, NSW, Qld, SA, Vic, WA |
| **TOWN AND COUNTRY BANK** Cashpower Savings Card | 0 | All except other-bank ATMs, cheques | None | 0.75 | 1.5 | All except C'wealth and Westpac | WA |
| **TRUST BANK** Action Cheque | $2 if mmb <$500 | All except cheques | Under 21 | 0.5 | 0.75 | ANZ, Cashcard, Redi*tel*ler | NSW, Qld, Tas, Vic |
| **WESTPAC** Classic | $3 if mmb <$350 | 10 | Under 21 | 0.25 | 0.5 | Challenge, Commonwealth | Nationwide |
| **WESTPAC** Classic Plus | $5 | All | Credit card | 0.25 | 0.5 | Challenge, Commonwealth | Nationwide |

Financial information supplied by Cannex.

* Interest as at January 10, 1997.

**(A)** This account requires a minimum opening deposit of more than $100. It doesn't have an ongoing minimum deposit requirement.

**(B)** Or if you have $2000 in an investment account.

**(C)** Shareholders.

**(D)** Unit holders in Advance Asset Management and term deposit holders.

**(E)** Premier Club member; ANZ Visa Gold customer; customers with a personal deposit account balance of more than $20,000.

**(F)** If under 21.

**(G)** If you have three relationships with the bank (investment accounts, insurance, etc) amounting to more than $10,000.

**(H)** More than $2000 in an investment account; people with a disability who can't use electronic banking.

**(J)** If trustee of the account.

**(K)** Indicative rates only — this account will be available from March 1, 1997.

**mmb** Minimum monthly balance.

**WD** Withdrawal.

**OTC** Over-the-counter.

**elec** Electronic.

**NAB** National Australia Bank.

> = more than.

< = less than.

≥ = more than or equal to.

## Guide to the tables

### 1 Fees and charges

#### Account-keeping fees

These are the fees applied to many bank accounts each month, often if your balance is below a certain amount.

#### Free transactions

This is the number of transactions you can make each month before charges are applied (although for some transactions, such as at other banks' ATMs and one-off charges, there may be no exceptions). Deposits are less likely to incur fees.

# Credit union and building society accounts

**There are over 300 credit unions and building societies in Australia — it would be impossible to compare all their accounts. We concentrated on a few of the larger, more accessible institutions, to give you an indication of what they offer.**

| | 1 FEES AND CHARGES | | | 2 INTEREST* | | 3 ACCESS | |
|---|---|---|---|---|---|---|---|
| **Institution / account** | **Account-keeping fees per month** | **Free transactions per month** | **Fee exemptions** | **% / $500** | **% / $5000** | **ATM networks** | **Branch locations** |
| **AUSTRALIAN CENTRAL CREDIT UNION** My Account | 0 | 15 WD | None | 0.75 | 1.25 | ANZ, BSA, Cashcard, NAB, Rediteller | NT, SA |
| **CPS CREDIT UNION** (SA) Access Savings | 0 | 15 elec, 8 OTC WD | None | 0.5 | 1.5 | All except C'wealth and Westpac | SA |
| **ENDEAVOUR CREDIT UNION** Prime Access | 0 | 10 OTC/ATM WD, 15 cheques | None | 0.25 | 1 | All except C'wealth and Westpac | NSW, Qld, Vic |
| **ENTERPRISE CREDIT UNION** On Call | 0 | 20 WD | None | 0.5 | 1 | All except C'wealth and Westpac | Vic |
| **FIRST PROVINCIAL BUILDING SOCIETY** First Account **(A)** | 0 | 5 (all own ATM transactions free) | None | 0.25 | 1 **(A)** | Cashcard | Qld |
| **GREATER BUILDING SOCIETY** Access **(A)** | 0 | First $5 worth of transactions free | Pensioner, under 18, home/ investment loan, personal loan | 0.25 | 1.5 **(A)** | ANZ, Cashcard, Rediteller | NSW |
| **HERITAGE BUILDING SOCIETY** Money Manager | 0 | 15, 20 if mmb ≥$5000 (all own ATMs free) | Home/investment loan **(D)** | 1.5 | 4.25 | ANZ, Cashcard, Rediteller | Qld |
| **HOME BUILDING SOCIETY** One Account **(B)** | $3 if mmb <$500 | 10 | Tertiary student, home/ investment loan | 0.5 | 1.25 | ANZ, Cashcard, Rediteller | WA |
| **IMB BUILDING SOCIETY** Every Day | 0 | 12-30 depending on balance | None | 0.25 | 1.50 | ANZ, Cashcard, Rediteller | ACT **(H)**, NSW, Qld **(H)** |
| **ISLAND STATE CREDIT UNION** On Call Savings | 0 | 5 ATM, 5 OTC, 10 cheques **(C)** | None | 0.25 | 1 | All except C'wealth and Westpac | Tas |
| **NEWCASTLE PERMANENT BS** Cheque **(A)** | 0 | 10-20 depending on balance | Home/investment loan **(E)** | 0.5 | 1.5 **(A)** | ANZ, Cashcard, NAB, Rediteller | NSW |
| **NORTHERN BUILDING SOCIETY** Cheque **(A)** | 0 | All own ATM transactions free | None | 0.25 | 0.5 **(A)** | Cashcard | Qld |
| **SUNCORP BUILDING SOCIETY** Cash Access **(A) (B)** | 0 | 4 OTC, 8 elec | Pensioner, under 21, tertiary student, home/investment loan | 0.25 | 1.25 **(A)** | ANZ, Cashcard | NSW, Qld |
| **UNITED CREDIT UNION** Access Plus | 0 | 2 if mmb <$500, all if mmb ≥$500 | Home/investment loan, personal loan **(F)**, other **(G)** | 0.25 | 0.75 | ANZ, Cashcard, NAB, Rediteller | Vic, WA |

Financial information supplied by Cannex.

* Interest as at January 10, 1997.

**(A)** These accounts only pay a higher rate of interest on the portion of money above the last interest step — see table note 2, below.

**(B)** These accounts require a minimum opening deposit of more than $100. They don't have an ongoing minimum deposit requirement.

**(C)** All cheques free if mmb ≥$2000.

**(D)** With a home or investment loan you get an additional five free transactions per month.

**(E)** With a home or investment loan you get 20 free transactions per month.

**(F)** If loan is over $2500.

**(G)** Five Visa purchases.

**(H)** Loan centres.

## Fee exemptions

You may be exempt from some fees if you belong to one of the following groups — but check your eligibility with your institution.

- Pensioners.
- Under 18 or 21.
- Tertiary student.
- Home or investment borrower.
- Personal loan borrower.
- Credit card holder.
- Other, such as shareholders or term deposit holders — the relevant footnote gives details.

## 2 Interest rates

These columns show the interest rates you can earn on a balance of $500 or $5000. Each institution has its own set of interest rates — with up to six steps in some cases — so if you want more details, ask for the rate structure applying to your account.

Also check whether the highest rate is paid on the entire amount or whether it is paid only on the portion above the last interest step. Paying on the entire amount is obviously preferable — it's not much use earning 10% on $5000 if the first $4999 only earns 1%. Footnote **(A)** in the table above tells you which accounts do this.

## 3 Access

### ATM networks

We've listed the larger ATM networks that can be used (in addition to the institution's own) — although you'll probably be charged more for doing so. Additionally there may be arrangements with other (usually local) institutions. Some banks are also accessible through Australia Post's 'giroPost' network.

### Branch locations

This indicates in which states the institution has branches (in some states this may mean only one branch!).

**IN BRIEF**

- **Cut down on the total amount of fat you eat.**
- **In particular, cut down on saturated and trans fats — using oils instead of animal fats in your cooking can help here.**
- **Replace some of the saturated fats you cut out with a mix of mono- and polyunsaturated fats, which are both found in oils.**

MORE OF US WILL DIE OF HEART disease than anything else — that's a pretty scary statistic. But what can you do to reduce your chance of suffering from heart disease?

You can't trade in your genetic make-up, but you can try to stop smoking, exercise more and learn how to manage stress. You can also try to watch what you eat. The type of fat you eat — and how much — is particularly important. It influences your blood cholesterol level, which is a major risk factor in heart disease. Cutting down on all fats is especially important if you're overweight.

Nearly half of the fat we eat is in the form of butter, margarine and cooking fats and oils (including those added by the food industry in processed and takeaway foods, for example). Most of the rest comes from meat, poultry and dairy products (such as milk, cheese and ice cream).

With such a large whack of our fat intake being the result of what is added to food, there's the opportunity to reduce our intake and choose healthier options.

## Fat has many faces

Fats and oils are made up of fatty acids. There are three main types — saturated, monounsaturated and polyunsaturated. All fats are made up of a mixture of these three types of fatty acid, but one type usually predominates in each individual oil or fat.

### Saturated fats

All fats contain some saturated fat, but solid animal fats such as those found in butter, lard, suet, cheese and meat are the main sources. The only vegetable oils that contain predominantly saturated fat are palm and coconut oils.

- Saturated fats *raise* the level of 'bad' cholesterol (the kind of cholesterol that clogs your arteries) in your blood. Certain cancers (for example bowel and breast cancer) have also been linked with high intakes of saturated fat. Health experts recommend that you cut down on fat in general, and saturated fats in particular.

### Monounsaturated fats

Several vegetable oils and margarines are high in monounsaturates — see the table on page 21. Nuts such as peanuts, cashews and almonds, peanut butter and avocados are also high in monounsaturated fats.

- Monounsaturated fats *lower* the level of 'bad' cholesterol in your blood. Health experts recommend that when you cut down on saturated fats you replace some of them with monounsaturated fats.

*They all look pretty much the same, but are they? We cut through the confusing claims and the scare tactics about heart disease to tell you which oils are really better for you and your family.*

# Need an oil ch

### Polyunsaturated fats

Many vegetable oils and margarines are high in polyunsaturated fats. Nuts such as walnuts, hazelnuts and brazils are another good source.

■ Polyunsaturated fats *lower* the level of 'bad' cholesterol in the blood. Health experts recommend that when you cut down on saturated fats you replace some of them with polyunsaturated fats.

### Trans fats

These are unsaturated fats, but they act like saturated fats in the body. They are mainly formed when vegetable oils are 'hardened' to make margarine. They are also present in small amounts in beef, lamb, butter and other dairy products.

■ Trans fats *raise* the level of 'bad' cholesterol in your blood. You should treat them the same way as saturated fats — cut down whenever possible. (*Spreads in trans-ition*, CHOICE, October 1996, has details of which spreads are lowest in trans fat.)

## Mono vs poly

Health experts advise replacing some of the saturated and trans fats you cut out with polyunsaturated and monounsaturated fats, but which is better? There's no clear-cut answer. What scientists do know is that mono and poly have a similar blood-cholesterol-lowering effect, and that both are good substitutes for saturated fats in the diet.

It's after this that things begin to get a bit murky.

■ Some studies suggest that very high levels of polyunsaturated fats (unlike monounsaturates) can, in addition to lowering the 'bad' cholesterol, also lower the 'good' cholesterol (the type that's carried away from your arteries). However, some experts think it's unlikely that you would eat such high levels of polyunsaturated fats in a normal diet.

■ There's also a theory that polyunsaturated fats can chemically change — or 'oxidise' — the 'bad' cholesterol, which may contribute to heart disease, whereas monounsaturated fats tend to inhibit this oxidation. Some experts believe this may prove to be a very important factor in the scheme of things.

On the other hand:

■ Polyunsaturates appear to decrease blood clotting, which can reduce your chance of heart attack or stroke, whereas monounsaturates don't. It's also thought that polyunsaturates may help prevent an irregular heartbeat. However, Omega-3 fats do all this much better (see *Omega 3 fats*, on page 20).

On balance, current scientific knowledge suggests monounsaturated fats have a slight edge over polyunsaturates. Until more is known, however, don't go overboard on either of them — it's not a case of more is better. The best advice is to replace some of the saturated fats you cut out with a mix of mono- and polyunsaturated fats, preferably with a focus on monounsaturates. If, for example, you use a polyunsaturated margarine, use a monounsaturated oil for cooking and salads.

## Which oil is the best?

Most of the oils listed in the table on page 21 are relatively low in saturated fats and high in either mono- or polyunsaturated fats, so most are reasonable choices. However, if you want to choose an everyday oil that's high in monounsaturated fats, go for Sunola or olive oil, followed by canola. (Sunola contains sunflower oil from plants which have been bred especially to yield a high level of mono- in place of polyunsaturated fat.)

Very recent research suggests olive oils which have been through very little processing (called 'extra

**■ Heart disease is the leading cause of death in Australia, claiming a life every 10 minutes. The types of fat you eat can influence your chances of getting it.**

**■ Heart attack is the number one killer of both women and men under 70.**

**■ Heart attack and stroke together cause twice as many early deaths as breast and lung cancer combined, and five times as many as traffic accidents.**

# ange?

virgin' or 'virgin') may also have added benefits above other oils, because they're very high in a group of compounds called polyphenols. It's thought that these may have a protective effect on health due to their anti-oxidant properties. This is just one example of factors other than the type of fat in oils which has come to light recently. As scientists understand more about fats and how they affect our bodies, we may need to think of more than just whether they're high in poly- or monounsaturates when it comes to choosing an oil.

**Although chips are usually fried in polyunsaturated oil, they're still high in fat, so shouldn't be eaten regularly.**

When it comes to oils used commercially, cottonseed is a better option than palm oil, being much lower in saturated fat. However, as a consumer you don't have a choice here as you wouldn't usually know what your take-away chips were cooked in — it could be palm, cottonseed or even tallow, for example. We would like to see the food service industry use monounsaturated oil for cooking.

You may find coconut oil when shopping and it's also used in solid vegetable fats for deep frying. It's best to steer clear of it — it's exceptionally high in saturated fat. Also limit the amount of butter you eat and avoid other high-saturated-fat solid products (like lard, dripping and solid vegetable fats for frying) — find a vegetable oil whose flavour you like instead.

## FAT-SMART TIPS

Eating too much fat is a major cause of obesity and can also increase your risk of heart disease, high blood pressure, diabetes, gallstones and some types of cancer (bowel, gall bladder, ovary and breast cancer).

Here are some tips on watching the fat you eat:

- Cut down on fried foods and use mono- or polyunsaturated oils when you do fry.
- Bake (without using much oil), grill or microwave instead of frying when possible, or use only a small amount of oil. Also experiment with herbs, spices and marinades to flavour food instead of relying on fat.
- Mono- or polyunsaturated margarines are better choices than butter.
- Use low and reduced-fat dairy products instead of full-fat ones — for example, low- and reduced-fat milk, low-fat yoghurt, reduced-fat hard cheese. There's no need to cut out dairy foods — they're a rich source of calcium. Some of the low- and reduced-fat versions have even more calcium than their regular counterparts.
- Choose lean cuts of meat, and remove as much visible fat as possible. Avoid processed and luncheon meats, sausages and pies — they're high in fat, particularly saturated fat.
- Limit high-fat fast foods like chips, burgers and fried chicken.
- Keep ice cream as a treat or choose low-fat ice cream or sorbet instead.
- Avoid toasted breakfast cereals such as toasted muesli — they're much higher in fat than most other cereals.
- Don't spoil a healthy salad with a fatty salad dressing — choose a low-fat variety or make your own dressing with minimal oil.
- Choose fruit as a regular snack instead of cakes, biscuits, pastries or chocolate.
- Try to eat fish two or three times a week — preferably grilled or baked rather than battered or crumbed and fried (see *Omega-3: a little of something fishy*, on page 20).

## What about taste and cost?

■ **For everyday cooking** you usually want a cheap, neutral-tasting oil which doesn't mask the flavour of your food. Don't go for cold-pressed oils (see *Oil lingo*, below right) — they're stronger-tasting and generally more expensive.

■ **For frying**, particularly deep frying, you need an oil which can be heated to a high temperature without smoking. These include blended, canola, corn, grape seed, peanut, safflower, sunflower and Sunola oils. Oils like Sunola, canola and peanut oil have the edge because they last longer than highly polyunsaturated oils, which tend to go rancid if you keep them too long and can also develop an off-taste if they're heated for too long.

However, if you don't want to reuse the oil (for example, if you're shallow frying) polyunsaturated oils are still good choices and are relatively cheap.

Light olive oil (which has a more neutral taste than other olive oils) can also be used for everyday cooking but it's generally a little more expensive than other regular oils. It also starts to smoke at lower temperatures than most other oils so it's not a good choice for deep frying.

■ **For salad dressings and stir-fries** you may want an oil with a distinctive and interesting flavour. Most cold-pressed oils fit the bill — cold-pressed virgin and extra-virgin olive oil, almond, macadamia, wheatgerm and sesame oil are all good choices, but should be used sparingly (not only because of their stronger taste, but also for your pocket and if you need to watch your weight — all oils are 100% fat). For more neutral-tasting salad oils, light olive or grape seed are good choices.

For more on what oil to use for what, see *Suggested uses* in the table on page 21.

## Fear of frying

There's some concern that fried food may pose a health threat — and not just because it's full of fat. When oxygen comes in contact with oil (particularly polyunsaturated oils) at high temperatures it can chemically change it. This is called oxidation. In theory, these oxidised fats can increase the formation of other chemicals in our bodies, called 'free radicals', which may damage body cells, possibly contributing to coronary heart disease, cancer and premature aging.

Until we know how much oxidised fat we can safely eat, it pays to be cautious when frying food:

■ Don't reuse oil for deep frying more than three or four times, or if it develops an unpleasant flavour. Not only is old oil likely to contain oxidised fat and its toxic breakdown products, it's also much less efficient at cooking, so your food takes longer to cook and absorbs more oil.

# Light in substance

**Oil labels seem to bring out the worst in manufacturers — we found plenty of labels that seem to confuse or mislead, rather than inform.**

While this label does say (in the small print on the side) what it's light in, to the average shopper it's about as clear as mud.

It's light, all right — in colour and taste — but not in fat, that's for sure. All oil is 100% fat. CHOICE thinks manufacturers should have to put the supporting information right next to the claim of 'light'. As it is, you'd need a magnifying glass and some very lateral thinking to connect the two!

**This Filippo Berio label is an example of an oil which makes it very clear what 'light' means.**

And what's the Heart Foundation tick doing sitting almost on top of the 'it's light' claim (above)? What it's light in has nothing to do with the tick — it's about time the regulators got serious about stamping out potentially misleading labels.

Don't rely on the National Heart Foundation (NHF) tick of approval as the only basis for choosing your oil. Other brands of the same type of oil which don't carry the tick are just as good a choice. What the label doesn't tell you is that getting a tick costs money — it's something only some manufacturers are prepared to shell out money for. For more information on the NHF tick, see CHOICE, January 1997.

A tick *doesn't* mean the oil is good for your heart — all oil is 100% fat and should be used sparingly.

- Always filter oil before reuse — any food bits left in it will reduce its useful life.
- Don't reuse cooking oil or fat that's been used for shallow frying, as it's been exposed to relatively more oxygen and is more likely to have oxidised than if it had been used for deep frying.
- Store cooking oils in a dark place like a cupboard — light makes them go rancid faster.

## Oil lingo

Oil terminology is complex. Here's what some of the more commonly used terms mean:

- **Cold-pressed:** This is when the oil is extracted from the seed, fruit or nut by mechanical pressing only, without using any heat or solvents to extract more oil. After pressing, the oil just needs to be filtered, which means it keeps its natural flavour better than refined oils (see below). It also retains a lot more vitamin E than refined oils — vitamin E helps keep the oil fresh, and it can also inhibit the oxidation of fat to some extent.

You can usually tell a cold-pressed oil by its deep colour, strong flavour and thickness — and it's usually a lot more expensive than refined oil.

- **Refined:** Most oils which are produced on a large scale — such as soya bean, canola and sunflower — are removed from the plant seeds using solvents to get the maximum amount of oil. However, the solvent extracts more than just the oil, and these additional compounds also extracted must be removed by refining the oil as well as filtering it. Refining involves a series of processes which include using heat

## FAKE FAT

It's called Olestra — it's a fat substitute with all the virtues of fat and none of the vices. It's got the right taste and texture but no calories (because it slips through the intestine undigested). It sounds like a dieter's dream — but unfortunately it's not perfect.

Olestra can cause diarrhoea, bloating and abdominal cramping in some people. It also robs the body of certain nutrients — it absorbs fat-soluble vitamins (A, D, E and K) from other foods before the body has a chance to absorb them.

But the thing about Olestra that's causing the most concern is its potential to soak up carotenoids. These are pigments that make fruit and vegetables orange, red or green — and they may lower the risk of cancer and heart disease.

Olestra isn't yet approved for use in Australia, but in the US, where it is, vitamins A, D, E and K are added to it to try and counteract its effects. However, no carotenoids are added, and there may be other, as yet unknown, protective chemicals in food that Olestra may also affect.

The manufacturers of Olestra (Procter and Gamble) have not yet applied for approval to sell it in Australia, and given its potential drawbacks it's probably no loss.

and chemicals (although in the case of olive oil the refining process usually only involves heat). It also results in a neutral-flavoured and light-coloured oil.

## Olive oil — a world of its own

Terms such as 'extra-virgin' and 'virgin' are not regulated at present in Australia, so, for example, there's nothing to stop manufacturers calling an olive oil 'extra-virgin' when it's really only 'virgin' or just regular olive oil. However, all this is soon to change. A revised Australian standard, based on the international standard for olive oil, is in the pipeline.

Here's what the different olive oil terms generally mean:

■ **Extra-virgin:** This is the best-quality oil, from the first cold pressing of olives. A number of factors increase the grower's chances of making this grade of oil — for example, you need good olives which are well tended and nurtured, as well as the right climatic and soil conditions. The olives need to be picked at just the right stage of ripeness and pressed as quickly as possible (before fermentation has a chance to start). All of these things give extra-virgin olive oil its flavour and required low level of acidity.

■ **Virgin:** This also comes from the first cold pressing but because one or more of the conditions listed above weren't met, the oil just doesn't have the superior flavour or low acidity required to make it 'extra virgin'.

■ **Regular olive oil:** Most regular olive oils are marketed as '100% pure' — which is just a marketing term: of course olive oil is 100% olive oil. Only a few are just labelled 'olive oil'. Oils with these names are usually made from a mixture of refined and virgin oil.

■ **Light and extra-light:** These terms are used interchangeably and usually refer to an oil with a light colour and mild flavour. It doesn't mean they are any lower in fat than regular oils. Like regular olive oil, they're made from a mix of refined and virgin oil, but with about 5% less virgin oil, which is why they have a milder taste and lighter colour.

**Don't be impressed by a 'no cholesterol' claim on oils — most vegetable oils contain virtually no cholesterol. And it's saturated fat in your diet, not cholesterol in food, that's the main influence on your blood cholesterol level.**

## NOTES TO THE TABLE

### Spreads

For more information on the different types of spread and margarine available and the types of fat they contain, see *Spreads in trans-ition*, CHOICE, October 1995.

For comparison purposes we have included here the average figures for regular mono- and polyunsaturated margarines, as well as dairy blends and butter. However, there's also a range of variations on these regular versions, such as ones lower in fat (usually somewhere between 60 and 75%). They have much the same ratio of trans, saturated, mono- and polyunsaturated fats as their regular counterparts — they're just lower in fat overall.

## Omega-3: a little of something fishy

Omega-3 fats are a group of polyunsaturated fats found mainly in fish and in some plants.

Research has shown that omega-3s make your blood less likely to clot — which reduces the chance of your arteries becoming blocked and causing a heart attack or stroke. Omega-3s also tend to damp down the body's response to inflammation, which may reduce inflammatory diseases such as rheumatoid arthritis.

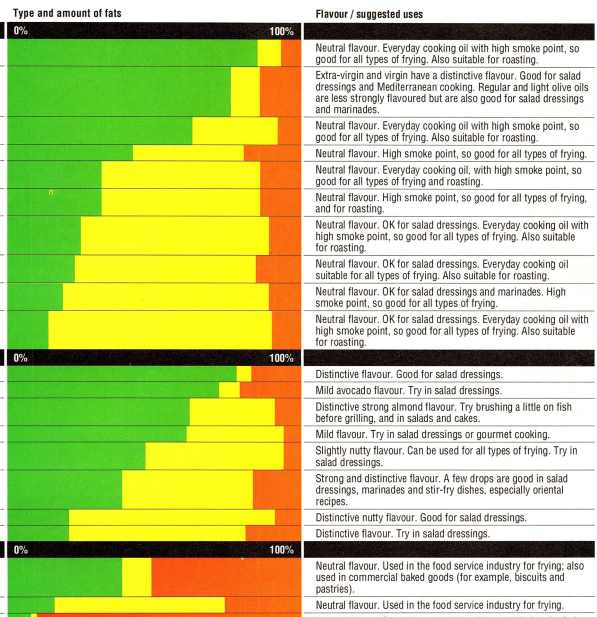
It's important to get a good balance in your diet between omega-3 fats and other polyunsaturated fats (such as those found in vegetable oils). People have begun to eat more polyunsaturated fats (mainly because they're replacing butter with margarine), but without eating more omega-3s as well, so the balance between the two has changed. Scientists are concerned this could have adverse health effects, so it's important to eat foods containing omega-3s too.

Fish is the best source of omega-3 fats because the type it contains is already in the form your body needs. Plant omega-3s need to be converted by your body before they can be used. Ideally you should eat fish two or three times a week. Canola, walnut and soya bean oils are good sources of plant omega-3s. Small amounts are also found in walnuts, rye bread, pecan nuts, baked beans, lean meats, green leafy vegetables and other fruits and vegetables.

You can also get omega-3s from supplements, but questions still remain about their safety, effectiveness and proper dosage. The best way to boost your intake is by eating omega-3-rich foods.

# OILS AND SPREADS

**They're listed in order of highest to lowest monounsaturated fat content (within their category), but remember that any product that's high in saturated fat — even if it's a good source of monounsaturates — is best avoided.**


Type (ranked in order of highest to lowest monounsaturates)
Type and amount of fats
Flavour / suggested uses
Everyday oils
0%
100%
Sunola (A)
Neutral flavour. Everyday cooking oil with high smoke point, so good for all types of frying. Also suitable for roasting.
Olive (B)
Extra-virgin and virgin have a distinctive flavour. Good for salad dressings and Mediterranean cooking. Regular and light olive oils are less strongly flavoured but are also good for salad dressings and marinades.
Canola
Neutral flavour. Everyday cooking oil with high smoke point, so good for all types of frying. Also suitable for roasting.
Peanut
Neutral flavour. High smoke point, so good for all types of frying.
Blended (C)
Neutral flavour. Everyday cooking oil, with high smoke point, so good for all types of frying and roasting.
Corn
Neutral flavour. High smoke point, so good for all types of frying, and for roasting.
Sunflower
Neutral flavour. OK for salad dressings. Everyday cooking oil with high smoke point, so good for all types of frying. Also suitable for roasting.
Soya bean
Neutral flavour. OK for salad dressings. Everyday cooking oil suitable for all types of frying. Also suitable for roasting.
Grape seed
Neutral flavour. OK for salad dressings and marinades. High smoke point, so good for all types of frying.
Safflower
Neutral flavour. OK for salad dressings. Everyday cooking oil with high smoke point, so good for all types of frying. Also suitable for roasting.
Other / specialty oils
0%
100%
Macadamia
Distinctive flavour. Good for salad dressings.
Avocado
Mild avocado flavour. Try in salad dressings.
Almond
Distinctive strong almond flavour. Try brushing a little on fish before grilling, and in salads and cakes.
Apricot
Mild flavour. Try in salad dressings or gourmet cooking.
Mustard seed
Slightly nutty flavour. Can be used for all types of frying. Try in salad dressings.
Sesame seed
Strong and distinctive flavour. A few drops are good in salad dressings, marinades and stir-fry dishes, especially oriental recipes.
Walnut
Distinctive nutty flavour. Good for salad dressings.
Wheat germ
Distinctive flavour. Try in salad dressings.
Commercial oils
0%
100%
Palm
Neutral flavour. Used in the food service industry for frying; also used in commercial baked goods (for example, biscuits and pastries).
Cottonseed
Neutral flavour. Used in the food service industry for frying.
Coconut
Neutral flavour. Sometimes used in solid vegetable fats for frying.
Spreads
0%
100%
Monounsaturated margarine (D)
Can be used for baking; OK for shallow frying.
Dairy blend (E)
Can be used for baking; OK for shallow frying.
Polyunsaturated margarine (F)
Can be used for baking; OK for shallow frying.
Butter
Good for cakes, pastry and white sauce; can be used for shallow frying (add a little oil to stop it burning as easily).

Monounsaturated fat % | Polyunsaturated fat (%) | Saturated fat (%) | Trans fat (%) | Other ingredients*

* Oils are 100% fat, but butter and other spreads contain some water. Margarines and blends also contain a small percentage of additives.

**(A)** Made from sunflowers which have been bred to have a high level of mono- in place of some polyunsaturated fat.

**(B)** Includes 'light','virgin','extra-virgin' and regular or '100% pure' olive oil — they're all 100% fat and have the same ratio of saturated, mono- and polyunsaturated fats.

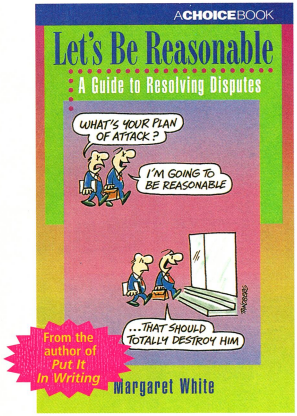
**(C)** Blended oils are made from a mixture of different oils — usually what's cheap and easily available at the time. We tested seven brands of blended oil (two samples of each, with different use-by dates) to see if the fatty-acid profile differed much between, or even within, brands. Generally, we found consistency within brands. There was a wider range between brands, but you'll usually get a largely polyunsaturated product when you buy a blended oil.

**(D)** Most are made from canola oil.

**(E)** Made from at least 50% butter fat and vegetable oil.

**(F)** This is made from a mixture of vegetable oils, usually including sunflower or safflower.

# NEW FROM CHOICE BOOKS!


A CHOICE BOOK
Let's Be Reasonable
A Guide to Resolving Disputes
WHAT'S YOUR PLAN OF ATTACK?
I'M GOING TO BE REASONABLE
...THAT SHOULD TOTALLY DESTROY HIM
From the author of Put It In Writing
Margaret White

## Let's Be Reasonable

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**Margaret White**

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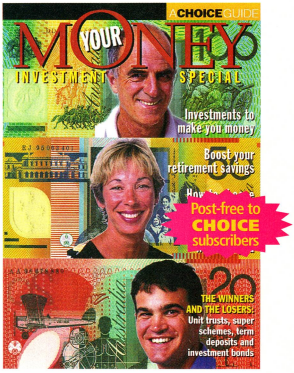

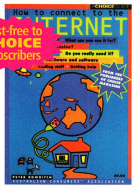


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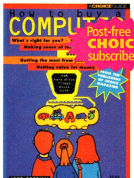


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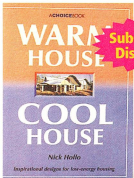


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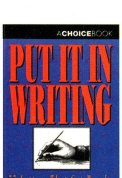


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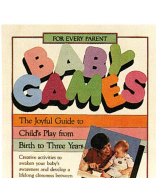


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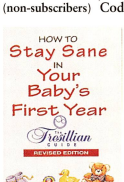


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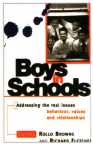
There is limited stock available of each title — so if you're interested in any of them get in early!

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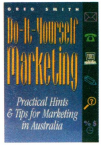


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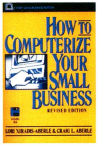


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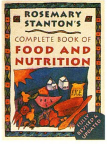


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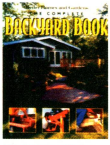


**The Complete Backyard Book**
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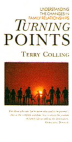


**Turning Points**
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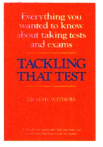


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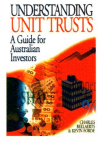



**Understanding Unit Trusts**
$20 Code: UUT

*There are reliable cars around, but there are some lemons — and yet again, the worst models for reliability were Australian-made.*

# Are you driving a lemon?

THIS YEAR SAW THE HIGHEST number of models ever reported on in CHOICE's annual Car Reliability Survey — but despite that, the results didn't provide many surprises.

■ **HONDA, DAIHATSU** and **MAZDA** top the reliability lists for cars bought from 1990 on, and older **HONDAs** (1987-89) are 10% ahead of their nearest rivals — see Figure 1 on page 26 for details. **MAZDA** and **HONDA** have consistently been top for reliability in our survey in recent years. And **FORD** and **HOLDEN** are still bottom or close to it for reliability in all three of the age groups we divided the cars into — see right.

■ You only have to read these brand names to realise that, once again, this means imported cars were more reliable than Australian-made ones. Overall, 25% of locally manufactured cars made between 1993 and 1995 broke down in the 12 months from September 1995 to August 1996, compared with just 13% of imported ones. We'd like to see locally made cars improve their reliability record.

■ As for specific models, across all the age groups **FORD Falcon/Fairmont/Futura 6 EA, EAII, EB, EBII** and **ED** were significantly less reliable than the average of all cars in our survey. The **MITSUBISHI Magna TP** was down there with them in the 1990-92 age group, as was the **HOLDEN Commodore/Acclaim/Berlina/Calais V6 VR** in the newest group. The latest **FORD Falcon**, the **EF** model, fared slightly better than older **Falcon** models — we hope next year's results will continue to show an improvement.

## Poor record for newer models

We divided the cars reported on into three age groups:

■ January 1987 to December 1989.

■ January 1990 to December 1992.

■ January 1993 to August 1995. (Our survey went out in September 1996, and all the cars in it needed to be at least one year old so they could be reported on over the previous 12 months. This is why none of the cars is newer than August 1995.)

You'd expect an older car to be less reliable, so an overall rate of 54% without breakdowns or days off the road for the 1987-89 models doesn't sound unreasonable. In the 1990-92 group, 71% didn't break down. However, things didn't improve much in the youngest group — just 79% of those models didn't break down.

This means about one in five fairly new cars in our survey broke down or couldn't be used for at least a day over a 12-month period. We think this is too high for consumers to have to put up with when they're paying so much for a new car, and should be a cause of concern to manufacturers.

## IN THIS ARTICLE


■ **Which car makes and models are the most — and least — reliable? See pages 26 and 27.**

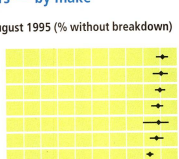
■ **How do locally made or assembled cars compare to imported models for reliability? Page 28.**

■ **What problem areas should you be aware of in specific models (for example, when shopping for a secondhand car)? See pages 30 to 31.**

## Figure 1. Reliability of cars — by make

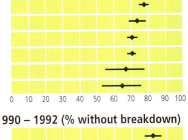
**January 1993 – August 1995 (% without breakdown)**

**HONDA** (152)
**DAIHATSU** (115)
**MAZDA** (353)
**NISSAN** (222)
**SUZUKI** (61)
**SUBARU** (241)
**TOYOTA** (838)
**MITSUBISHI** (607)
**HYUNDAI** (229)
**FORD** (820)
**HOLDEN** (893)
**BMW** (55)
**LAND ROVER** (52)



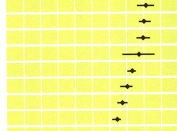

**1990 – 1992 (% without breakdown)**

**HONDA** (168)
**DAIHATSU** (182)
**MAZDA** (388)
**SUBARU** (333)
**SUZUKI** (60)
**TOYOTA** (1057)
**NISSAN** (503)
**MITSUBISHI** (553)
**FORD** (838)
**HOLDEN** (687)
**HYUNDAI** (92)




**1987 – 1989 (% without breakdown)**

**HONDA** (173)
**MAZDA** (186)
**TOYOTA** (691)
**SUBARU** (79)
**NISSAN** (427)
**VOLVO** (52)
**MITSUBISHI** (471)
**FORD** (683)
**HOLDEN** (599)



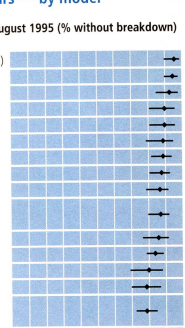

## How reliable are the makes and models?

**Figures 1 and 2** show for each age group the percentage of makes and models in our survey that didn't break down or need to be off the road for repairs for at least one day during the 12 months from September 1995 to August 1996. The numbers in brackets give the number of replies we received for each make or model. We only included makes and models for which we received at least 50 replies in each age group.

## Figure 2. Reliability of cars — by model

**January 1993 – August 1995 (% without breakdown)**

**TOYOTA Corolla/Seca** 10/94 on (72)
**MAZDA 121 sedan** (105)
**MAZDA 626** 01/92 on (60)
**DAIHATSU Charade** (52)
**SUBARU Liberty (A)** (59
**FORD Laser KH** (54)
**MITSUBISHI Lancer** (92)
**NISSAN Pulsar** 03/93 on (84)
**SUBARU Liberty AWD (A)** (83)
**TOYOTA Landcruiser 60/80 series** (99)
**TOYOTA Camry VDV10** (71)
**TOYOTA Camry SDV10** (178)
**HYUNDAI Excel X3 series** (55)
**MITSUBISHI Pajero V6** (68)
**TOYOTA Corolla/Seca** 06/89-09/94 (130)
**HYUNDAI Excel X1/X2 series** (72)
**MITSUBISHI Magna V6 TR-TS/ Verada KR-KS** (178)
**FORD Falcon/Fairmont/Futura 6 EF** (216)
**MITSUBISHI Magna 4 TR-TS** (179)
**HOLDEN Commodore/Acclaim/ Berlina/Calais V6 VS** (126)
**HOLDEN Commodore/Acclaim/ Berlina/Calais V6 VR** (474)
**FORD Falcon/Fairmont/Futura 6 EBII-ED** (278)




Dates after model names indicate distinct versions of the same model.
AWD = All-wheel drive.
FWD = Front-wheel drive.
RWD = Rear-wheel drive.
**(A)** Includes model launched in June 1994.

## How to read the graphs

The **diamonds** in **Figures 1 and 2** show the percentage of cars in our survey that didn't have problems. The **bars** indicate how closely our survey results would be likely to match reality if we were able to survey all cars on the road: the shorter the bar is, the closer our results are likely to be to reality. The bar gets shorter when there are:

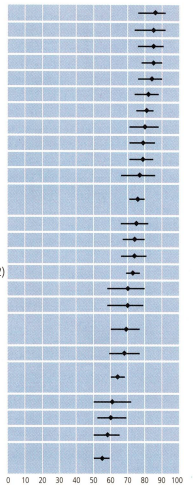
- A high number of responses for the make or model.
- A high proportion of cars without breakdowns for the make or model.

When comparing the cars' reliability, it's important to look at these bars.

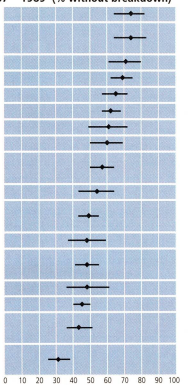
For example, in the 1987-1989 age group for makes in Figure 1, the percentage without breakdowns in our survey for **MAZDA** was higher than for **SUBARU**. However, the reality bars for both makes overlap each other — which means we can't say definitively that **MAZDA** is more reliable than **SUBARU**.

On the other hand, when we compare **MAZDA** with **MITSUBISHI**, **HOLDEN** or **FORD**, we can be highly confident that **MAZDA** is more reliable, because the bars don't overlap. The same goes when comparing models.

**1990 – 1992 (% without breakdown)**


DAIHATSU Applause (63)
MAZDA 323 Astina 4 cyl (52)
NISSAN Patrol (73)
SUBARU Liberty (99)
MITSUBISHI Lancer (98)
DAIHATSU Charade (99)
FORD Laser KE-KH (195)
TOYOTA Cressida (70)
MAZDA 626 up to 12/91 (90)
SUBARU Liberty AWD (104)
MAZDA 121 sedan (56)
TOYOTA Corolla/Seca 06/89-09/94 (288)
SUBARU L-Series wagon (88)
MITSUBISHI Magna 4 TR (137)
NISSAN Pulsar 10/91-02/93 (105)
TOYOTA Camry 4 SV20 Series (302)
HOLDEN Apollo 4 JK-JL (53)
MITSUBISHI Pajero V6 (59)
TOYOTA Landcruiser 60/80 series (96)
NISSAN Pintara FWD (82)
HOLDEN Commodore/Berlina/ Calais V6 VN-VP (392)
HYUNDAI Excel X1/X2 series (57)
NISSAN Pulsar up to 09/91 (96)
MITSUBISHI Magna TP (128)
FORD Falcon/Fairmont/Futura 6 EAII-EBII (382)
0 10 20 30 40 50 60 70 80 90 100

**1987 – 1989 (% without breakdown)**


MAZDA 626 up to 12/91 (73)
TOYOTA Corolla/Seca 06/89-09/94 (62)
HONDA Civic up to 09/91 (70)
FORD Laser KE (137)
NISSAN Skyline (117)
TOYOTA Camry 4 SV20 series (221)
FORD Telstar AS-AT (54)
NISSAN Pintara RWD (82)
TOYOTA Corolla/Seca up to 05/89 (144)
NISSAN Pulsar up to 09/91 (71)
HOLDEN Commodore/Berlina/ Calais V6 VN (219)
HOLDEN Camira JD-JE (61)
HOLDEN Commodore/Berlina/ Calais 6 VL (145)
MITSUBISHI Colt (50)
MITSUBISHI Magna TN-TP (280)
FORD Falcon/Fairmont/Futura 6 XF (137)
FORD Falcon/Fairmont/Futura 6 EA (159)
0 10 20 30 40 50 60 70 80 90 100

# Our survey

In September 1996 we mailed our car reliability questionnaire to 30,000 subscribers. In addition, we published the survey in the October 1996 issue of CHOICE.

We received useful information for 13,979 cars — the largest number ever in the 17-year history of our survey — covering 170 models from 32 makes. Unfortunately, we can't report on all of them: for sound results we need at least 50 responses for a particular make or model.

So you won't find results for every model available in Australia in our article — even if you reported on it. However, even if we didn't get enough responses for your particular model, your information is still likely to have been used for the analysis by make. We'd like to thank everyone who took part in the survey.

In the questionnaire we asked motorists how often their car had broken down (that is, how often it couldn't be driven at all or at least not safely) and how many times it had been unavailable for use due to repairs for at least one day during the 12 months from September 1995 to August 1996. We specifically excluded days off the road for repairs caused by accidents, vandalism or regular maintenance.

We also wanted to know the cause of breakdowns and which parts had to be repaired. These results will give you an indication of the main problem areas of a model and can be very helpful information about what to look for when shopping around for a secondhand car — you'll find the results on page 31.

Readers could reply to the survey for one or two cars between one and 10 years old: newer cars wouldn't have been on the road for the full 12 months, and the reliability of cars older than 10 years is more likely to be affected by factors other than the design or the quality of manufacture (such as driving style or the degree of maintenance).

To check that our data is representative of the real world, we compared parts of it with other sources, including the 1995 Motor Vehicle Census of the Australian Bureau of Statistics (ABS), the NSW RTA's data on motor vehicle registrants, and ABS demographic information. We found our survey participants to be fairly representative, and any small variations from other sources don't affect the results of the survey.

**Our survey department ploughed through survey information on 13,979 cars — our highest response ever.**

# Imported vs locally made

While imports are still more reliable than Australian-made cars, the reported reliability of both seems to have increased over last year's survey:

- Imported cars in the newest age group were 87% reliable this year vs 78% last year.
- Local cars in the newest age group were 75% reliable this time vs 67% in the last survey.

We can't tell for sure if that's a significant result because we're comparing different sample sizes. However, we'll monitor it in following surveys and hope it's the sign of a trend.

A factor that might affect the reliability of some local models in our survey is the distance they travelled in a year — on average 20,200 km compared with an average of 17,500 km for imports.

## Major problem areas

The top five problem areas for all the cars in the January 1993 to August 1995 age group — whether made in Australia or imported — were:

- 'Other electrics' (these are electrical problems other than those related to the ignition — such as lights, radio, wiper, motor, etc).
- Body exterior (including paintwork, glass, mirrors, locks, etc).
- Brakes.
- Steering.
- Interior (such as seats, dashboard or trimmings).

Interestingly, 89% of owners of locally made cars would buy their model again compared to 86% of imports' owners — despite the differences in reliability (see also *Would you buy the same car again?*, right).

## Where's *your* car from?

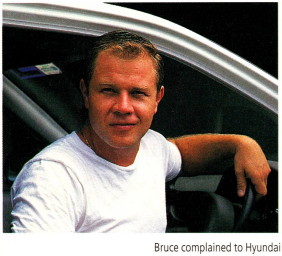
**Car manufacturers that import all their models sold in Australia:**

Alfa Romeo, Audi, BMW, Chrysler, Citroen, Daewoo, Daihatsu, Eunos, Fiat, Honda, Hyundai, Jaguar, Jeep, Lada, Land Rover, Lexus, Mazda, Mercedes Benz, Peugeot, Range Rover, Renault, Rover, Saab, Seat, Subaru, Suzuki, Volkswagen, Volvo.

**Car manufacturers that import some of their models sold in Australia and assemble or manufacture others locally (our list looks at popular-selling cars only, so it may not cover all models):**

- **Ford**
  - — Imported: Festiva, Laser KJ, Maverick, Mondeo, Raider, Telstar.
  - — Local: Capri, Fairlane, Falcon/Fairmont/Futura, Laser KE-KH, Meteor GC.
- **Holden**
  - — Imported: Astra, Barina, Calibra, Jackaroo.
  - — Local: Apollo, Commodore/Acclaim/Berlina/Calais, Nova, Statesman.
- **Mitsubishi**
  - — Imported: Cordia, Galant, Lancer, Mirage, Nimbus, Pajero, Starwagon.
  - — Local: Colt, Magna, Verada.
- **Nissan**
  - — Imported: Bluebird, Exa, Maxima, Micra, 300ZX, Pathfinder, Patrol, Serena.
  - — Local: Pintara, Pulsar, Skyline.
- **Toyota**
  - — Imported: Celica, Corona 12/86 to 4/87, Cressida, Hi-ace, Landcruiser, Paseo, RAV 4, Supra, Starlet, Tarago, 4 Runner.
  - — Local: Camry, Corolla/Seca, Corona to 12/86, Lexcen.

## ESCAPED WITH A FRIGHT



When CHOICE reader Bruce Ewan from Darlinghurst, NSW, bought a new **HYUNDAI Excel GX** in July 1996, the problems started on the very first day — the speedometer stopped working.

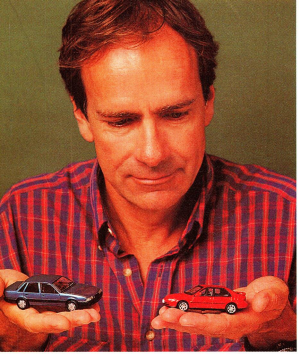
After just one week, Bruce had to take the car back to the dealership again, this time to complain about strange noises from the air conditioning. He was assured there was nothing wrong with the car, but they promised to have a closer look during the 1000 km service.

On the way back from the dealership, Bruce was driving through the Sydney Harbour tunnel with the air conditioning on, when he noticed a slight burning smell. Before he had time to do anything, the car started filling with smoke and smoke poured from under the car's bonnet. He was later told that the air conditioner's compressor had 'malfunctioned'.

Bruce turned off the air conditioning straightaway and wound down the window — but the smoke was so thick that he couldn't see the road properly and almost had an accident. Finally he managed to drive the car out of the tunnel and park it on the median strip.

"This could have cost me my life. I couldn't believe this could happen with a brand-new car. So far this car has proved less reliable and more dangerous than my last car, which was the much maligned Falcon EA."

Bruce complained to Hyundai Australia about the problems, who apologised and — as a "gesture of goodwill" — provided Bruce's car with an extended 36-month/60,000 km warranty. However, he said, "I'd have preferred a new car."



**Once again our survey shows Australian-made cars to be less reliable than imports. However, many of their owners seem to love them, despite their reliability problems.**

## Would you buy the same car again?

One question we asked in the reliability survey was whether you would buy the same make or model of car again.

Motorists seem to think carefully about their needs when they buy a car, because despite some poor reliability records, overall 94% in the survey would stick with the make they're currently driving (see **Figure 3** for details), and on average 85% don't even want to change the model of their vehicle.

**Figure 4** shows the results for models in the age group January 1993 to August1995, where on average 88% of people in the survey would buy the same model again.

## Reliability isn't everything

In some cases the relationship between reliability and loyalty seems to be good. For example, most owners of a **MAZDA 121** or a **SUBARU Liberty** seem to appreciate their cars' reliable performance.

But reliability isn't the only reason why people buy the same car again. This becomes obvious with models like the **DAIHATSU Charade**, **FORD Laser KH** and **MITSUBISHI Lancer**, which were all reported as being reliable cars but finished towards the bottom of our 'buy again' list. There's probably more to know about these cars than their reliability.

On the other hand, **FORD Falcon/Fairmont/Futura EA, EAII, EB** and **EBII** models and **HOLDEN Commodore/Acclaim/Berlina/Calais** models have been at or near the bottom of the reliability scale for years and must have caused their owners quite a few headaches and rides on public transport. However, that apparently doesn't stop them from giving these models another try the next time they buy a new car.

We can only assume that **Falcon** and **Commodore** buyers are more loyal to Australian-made cars — or they just can't find imports of that size in their price range.

## Figure 3. Would you buy the same make again?

| Make | % would buy again |
|---|---|
| **PEUGEOT** (69) | 99 |
| **VOLVO** (144) | 99 |
| **BMW** (129) | 98 |
| **HONDA** (506) | 98 |
| **MERCEDES BENZ** (64) | 98 |
| **MAZDA** (921) | 97 |
| **SUBARU** (655) | 97 |
| **TOYOTA** (2570) | 97 |
| **HOLDEN** (2189) | 94 |
| **NISSAN** (1150) | 93 |
| **MITSUBISHI** (1627) | 92 |
| **DAIHATSU** (335) | 91 |
| **FORD** (2327) | 91 |
| **SUZUKI** (144) | 91 |
| **LAND ROVER** (66) | 88 |
| **HYUNDAI** (368) | 86 |
| **SAAB** (94) | 85 |

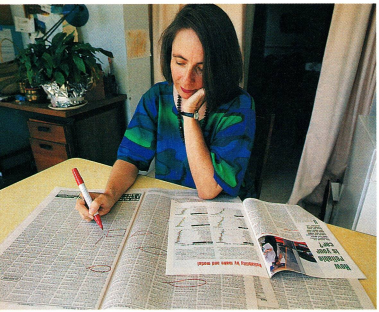
## Figure 4. Would you buy the same model again?

| Model (age group 1993-Aug 1995) | % would buy again |
|---|---|
| **SUBARU Liberty AWD (A)** (85) | 98 |
| **HOLDEN Commodore/Acclaim/Berlina/ Calais V6 VS** (123) | 95 |
| **SUBARU Liberty (A)** (61) | 95 |
| **TOYOTA Landcruiser 60/80 series** (99) | 95 |
| **MITSUBISHI Pajero V6** (67) | 93 |
| **HOLDEN Commodore/Acclaim/ Berlina/Calais V6 VR** (473) | 92 |
| **MAZDA 121 sedan** (101) | 92 |
| **TOYOTA Corolla/Seca** 06/89-09/94 (130) | 92 |
| **MAZDA 626** 01/92 on (57) | 91 |
| **MITSUBISHI Magna V6 TR-TS/ Verada KR-KS** (174) | 89 |
| **TOYOTA Camry SDV10** (173) | 89 |
| **FORD Falcon/Fairmont/Futura 6 EF** (216) | 88 |
| **TOYOTA Camry VDV10** (67) | 88 |
| **TOYOTA Corolla/Seca** 10/94 on (69) | 88 |
| **MITSUBISHI Magna 4 TR-TS** (175) | 87 |
| **FORD Falcon/Fairmont/ Futura 6 EBII-ED** (270) | 86 |
| **NISSAN Pulsar** 03/93 on (83) | 83 |
| **HYUNDAI Excel X3 series** (54) | 82 |
| **FORD Laser KH** (53) | 77 |
| **DAIHATSU Charade** (53) | 76 |
| **MITSUBISHI Lancer** (90) | 73 |
| **HYUNDAI Excel X1/X2 series** (71) | 68 |

AWD = All-wheel drive.
Numbers in brackets are the number of reports we received for each make or model.
(A) Includes model launched in June 1994.

# Buying a used car

*If you're not a car expert and don't know anyone who is, buying a secondhand car can be a scary task. The last thing you want is to end up with a lemon.*



IT WOULD BE TOO EXPENSIVE TO HAVE YOUR STATE'S motoring organisation inspect every car you look at, but there's a lot you can do yourself to help you decide whether it's worth paying an expert to check the car. The NRMA, for example, recommends carrying out the following easy checks — and with the help of our *Problems* table you'll be able to give particular attention to the likely weaknesses of the model you're interested in.

## What to look for

Make sure you do the inspection in good light conditions (preferably daylight) so you don't miss anything.

### Outside

- Walk around the car and look for rust and accident damage, which can be indicated by paint bubbles, paint that doesn't match or panels that don't seem to fit properly. With a soft fridge magnet you can test whether plastic body filler has been used (the magnet won't stick to filler).
- Check that all doors, windows and the boot open and close properly.
- Check the tyres — including the spare — for uneven wear (which can show a problem with the steering or suspension).

### Under the bonnet

- Look at the compliance plate, which is usually found on the firewall (between the engine area and the inside of the car). Match the vehicle identification number (VIN) and the date of manufacture with the information on the registration papers. Also check the engine number, which is marked on the engine itself. If any of the numbers don't match, it could mean the car is stolen or, in case of the engine number, that the engine has been changed without notifying the registration authority.
- Look at the dipstick: grey or milky oil may indicate serious engine problems.
- Take off the radiator cap and inspect the coolant. It should be clean and brightly coloured. Oil in the coolant may indicate serious engine problems.

### Inside

- Check that the seatbelts are in good condition.
- Try the operation of all lights, equipment and accessories (such as air conditioning, fan, power windows or car radio) and check that the jack and a toolkit are in place and in good condition.
- Make sure the seats are still comfortable enough and securely fastened to the floor.
- Check the upholstery, trim and carpets for wear and tear. Look under the carpet (if possible) and mats for signs of rust.

### Start the engine

With the bonnet open, start the engine and let it idle.

- Listen for irregular running noises, rattling or knocking in the engine compartment.
- Look for any signs of leaks.
- Open the oil filler cap — fumes may indicate engine problems.
- Watch out for fumes from the exhaust — for example, blue smoke may be caused by oil being burnt, which is a serious problem. Excessive noise from the exhaust can indicate a rust problem.

### On the road

Take the car for a drive, if possible on quiet roads where you can concentrate on the car, rather than on heavy traffic.

- Make sure the engine runs smoothly when cruising as well as when accelerating and decelerating.
- Try out all gears for smooth changing.
- Watch the dashboard for any warning lights.
- Listen for rattling or other body noises.
- Watch the exhaust for smoke, particularly when accelerating uphill.
- Relax your grip on the steering wheel and see if the car pulls to one side.
- Try the brakes several times: the car shouldn't pull to one side and the pedal should feel firm.

If you're happy with the car, call the title register of the state in which the car is registered (called REVS in some states, VSR in others) to find out whether there's any money owing on it. Have the registration number, VIN number and engine number ready when doing so. Finally, you can arrange an independent expert inspection of the car through your state's motoring organisation.

## Problems

(Only models with at least 50 responses in each age group are included.)

Significantly fewer problems than average.

Significantly more problems than average.

| Problem | January 1993-August 1995 Average (%) | January 1993-August 1995 Models with significantly fewer or more problems than average | 1990-1992 Average (%) | 1990-1992 Models with significantly fewer or more problems than average | 1987-1989 Average (%) | 1987-1989 Models with significantly fewer or more problems than average |
|---|---|---|---|---|---|---|
| **Other electrics** | 14 | Ford Falcon (A) 6 EBII-ED (20%) | 16 | Subaru Liberty (3%)<br>Ford Falcon (A) 6 EAII-EBII (23%) | 23 | |
| **Body exterior** | 13 | Holden Commodore (B) V6 VR (20%),<br>Ford Falcon (A) 6 EF (23%) | 10 | Holden Commodore (C) V6 VN-VP (15%)<br>Ford Falcon (A) 6 EAII-EBII (15%) | 18 | Holden Commodore (C) 6 VL (28%)<br>Ford Falcon (A) 6 EA (30%) |
| **Brakes** | 11 | Holden Commodore (B) V6 VR (21%) | 19 | Toyota Cressida (3%)<br>Mitsubishi Lancer (5%)<br>Mitsubishi Magna 4 TR (9%)<br>Toyota Corolla/Seca 06/89-09/94 (12%)<br>Holden Commodore (C) V6 VN-VP (30%)<br>Ford Falcon (A) 6 EAII-EBII (31%) | 29 | Mazda 626 up to 12/91 (7%)<br>Mitsubishi Magna TN-TP (38%)<br>Ford Falcon (A) 6 EA (47%) |
| **Steering** | 10 | Subaru Liberty (0%)<br>Holden Commodore (B) V6 VR (16%),<br>Ford Falcon (A) 6 EBII-ED (18%). | 12 | Subaru Liberty (AWD) (2%)<br>Holden Commodore (C) V6 VN-VP (21%)<br>Ford Falcon (A) 6 EAII-EBII (24%) | 19 | Honda Civic up to 09/91 (4%)<br>Mazda 626 up to 12/91 (7%)<br>Holden Commodore (C) V6 VN (28%)<br>Ford Falcon (A) 6 XF (30%)<br>Ford Falcon (A) 6 EA (31%) |
| **Interior** | 8 | Toyota Corolla/Seca 06/89-09/94 (2%)<br>Toyota Camry SDV10 (15%) | 6 | | 9 | Holden Commodore (C) V6 VN (19%) |
| **Cruise control** | 6 | Holden Commodore (B) V6 VS (13%) | 1 | Ford Falcon (A) 6 EAII-EBII (15%) | 9 | |
| **Computerised engine management system** | 6 | Toyota Camry SDV10 (0%)<br>Holden Commodore (B) V6 VR (9%) | 9 | Nissan Pulsar up to 09/91 (21%) | 18 | Nissan Skyline (6%)<br>Toyota Camry 4 SV20 Series (8%)<br>Ford Falcon (A) 6 EA (31%)<br>Nissan Pulsar up to 09/91 (35%) |
| **Air conditioning** | 5 | Ford Falcon (A) 6 EF (11%) | 8 | Subaru Liberty AWD (1%)<br>Ford Falcon (A) 6 EAII-EBII (14%) | 16 | Toyota Camry 4 SV20 Series (5%)<br>Mitsubishi Magna TN-TP (9%)<br>Ford Falcon (A) 6 XF (30%)<br>Ford Falcon (A) 6 EA (35%) |
| **Engine (cooling)** | 5 | Toyota Corolla/Seca 06/89-09/94(0%)<br>Ford Falcon (A) 6 EBII-ED (17%) | 11 | Mazda 121 Sedan (0%)<br>Subaru Liberty (AWD) (0%)<br>Subaru Liberty (2%)<br>Ford Laser KE-KH (5%)<br>Holden Commodore (C) V6 VN-VP (20%)<br>Mitsubishi Magna TP (20%)<br>Ford Falcon (A) 6 EAII-EBII (28%) | 24 | Honda Civic (4%)<br>Nissan Skyline (9%)<br>Mazda 626 up to 12/91 (10%)<br>Toyota Camry 4 SV20 Series (12%)<br>Ford Laser KE (13%)<br>Holden Commodore (C) 6 VL (36%)<br>Ford Falcon (A) 6 XF (48%)<br>Ford Falcon (A) 6 EA (52%) |
| **Suspension** | 5 | Ford Falcon (A) 6 EBII-ED (14%) | 6 | Daihatsu Charade (0%)<br>Toyota Corolla/Seca 06/89-09/94 (2%)<br>Ford Falcon (A) 6 EAII-EBII (19%) | 13 | Honda Civic (1%)<br>Ford Laser KE (4%)<br>Ford Falcon (A) 6 XF (25%)<br>Ford Falcon (A) 6 EA (26%) |
| **Ignition system** | 4 | | 9 | Toyota Cressida (0%)<br>Subaru Liberty (AWD) (1%) | 17 | Nissan Skyline (3%)<br>Ford Falcon (A) 6 EA (26%)<br>Mitsubishi Colt (43%) |
| **Transmission (auto)** | 4 | | 6 | Ford Falcon (A) 6 EAII-EBII (12%) | 9 | Toyota Camry 4 SV20 Series (2%)<br>Ford Falcon (A) 6 EA (19%) |
| **Clutch** | 3 | | 8 | Toyota Corolla/Seca 06/89-09/94 (3%)<br>Holden Commodore (C) V6 VN-VP (26%) | 13 | |
| **Engine (mechanical)** | 3 | Holden Commodore (B) V6 VR (7%)<br>Hyundai Excel X3 series (12%) | 4 | Ford Falcon (A) 6 EAII-EBII (11%) | 11 | Ford Falcon (A) 6 EA (23%) |
| **Driveline** | 2 | | 4 | | 8 | Nissan Skyline (17%) |
| **Exhaust system** | 2 | Ford Falcon (A) 6 EBII-ED (7%) | 9 | Ford Laser KE-KH (2%)<br>Toyota Corolla/Seca 06/89-09/94 (3%)<br>Mitsubishi Magna 4 TR (19%)<br>Mitsubishi Magna TP (20%)<br>Ford Falcon (A) 6 EAII-EBII (20%) | 27 | Ford Laser KE (11%)<br>Holden Commodore (C) V6 VN (39%)<br>Nissan Pintara RWD (42%) |
| **Rust** | 1 | | 2 | Hyundai Excel X1/X2 series (12%) | 12 | Honda Civic (1%)<br>Nissan Pulsar (1%)<br>Nissan Skyline (2%)<br>Ford Laser KE (3%)<br>Ford Falcon (A) 6 XF (23%)<br>Holden Commodore (C) 6 VL (31%) |

(A) Includes Fairmont and Futura models.

(B) Includes Acclaim, Berlina and Calais models.

(C) Includes Berlina and Calais models.

# Gone mobile

*We're champion mobile phone users, but the carriers and service providers we deal with could smarten up their acts. Our survey of mobile phone users highlights many areas of consumer dissatisfaction with mobile phones and services.*

**IN THIS REPORT**

- What to keep in mind when buying a mobile and signing a contract with a service provider or carrier — see *Tips* throughout.
- The differences between the analogue and digital networks, with tips on changing from one to the other — page 35.
- An explanation of terms such as carrier, service provider and call plan — page 37.

Thanks to all the subscribers who returned our survey last September, giving us information from users of 2650 mobile phones. A special thanks to those who took the time to send us additional comments, which we used in our research. Some of your comments are printed *in italics* throughout the text.

AUSTRALIANS HAVE TAKEN TO MOBILE phones as few other nations in the world. Only in some Scandinavian countries is the current ownership rate higher than in Australia — more than one in five of us owns a mobile phone.

At the time of our survey, about 3.8 million mobile phones were operating in Australia, and not all of the people using them were happy with the coverage and service they're receiving.

## More choice

Just as the market for mobile phones has grown dramatically over the past few years — sales of digital mobile phones have increased more than fourteenfold in the last two years — so have the choices you have to make when you want to go mobile.

In the past, one national telecommunications carrier provided a relatively limited range of services to urban and rural, business and domestic users. Now getting a mobile phone hooked up has become something of a minefield. You have to:

- Choose between the two existing technologies (see *Analogue or digital?* on page 35.)
- Pick a carrier. At the moment you can choose between the three competing networks — Telstra and Optus for digital and analogue services and Vodafone for digital services only (see *The jargon and who's who* on page 37 for more on this). Deregulation of the industry in July this year will most likely see more carriers enter the market.
- Choose a handset from the vast range on the market.
- Find the right call plan from a carrier or service provider to suit your needs.

## More confusion

With such a fast-growing telecommunications market and rapidly advancing technology, concerns are growing that most consumers don't fully understand what they're getting themselves into when they buy a mobile phone.

To find out how satisfied consumers are with their mobiles, we surveyed a random selection of 8000 subscribers across Australia last September — over 2000 replied. On the following pages we report what's bothering people about their mobile phones — contracts, coverage, reliability, service, billing and other problems.

# LACK OF INFORMATION

## Left in the dark

The majority of people surveyed (80%) said that when they bought their mobile phone, they received enough information about available call plans, and more than 90% thought the sales staff had informed them sufficiently about connection and monthly access fees.

However, when it came to getting information about the minimum cost of calls in their plan and the terms of their contract, an unacceptably high number of mobile phone users were left in the dark — more than half of our respondents weren't told the minimum cost of calls per month, and over a

third had received no information about the term of their contract.

*"They gave me no information whatsoever. I assumed that it was all in the brochure — none was discussed with me. I had no idea about digital and analogue and I still don't really know whether I'm on a 12 or 15-month or indefinite plan."*

## Contracts for digital mobiles

Subscribers' complaints about their mobile phone contracts tie in with the findings of the Telecommunications Industry Ombudsman (TIO). Of all the mobile phone complaints the TIO dealt with in the third quarter of 1996, more than half were about digital phone contracts, even though more than two-thirds of users are still connected to the analogue network.

The majority of people in our survey (94%) were satisfied with their contract conditions. But overall Vodaphone had more dissatisfied customers (21%) compared with Telstra and Optus (5% each).

The main reason why consumers were dissatisfied with their contract was the cost of their call plan (too expensive) and to a lesser extent because they didn't understand their contract conditions.

Perhaps not surprisingly, nearly a third of all Vodafone customers in our survey planned to change to another carrier when their contract expired. In comparison, only 8% of Optus and 5% of Telstra customers intended to change carrier.

## Changing your carrier

As one subscriber lamented: *"The most undesirable part of the whole mobile phone system is that it is not competitive — you can't switch between carriers at will."*

Digital mobile phones are often sold relatively cheaply together with a fixed-term call plan (contract) to offset the low cost of the phone. Once you've signed such a contract, you're bound to your chosen carrier for a certain period of time, usually 12, 15 or 18 months, and sometimes even longer. If you break the contract there's a minimim amount you'll still have to pay.

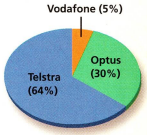
And as the real price of a mobile phone handset is often 'disguised' in such longer-term contracts, you may have to pay them out in full, even if your handset is lost or stolen before the end of your contract.

In our survey, more than a third of people (37%) had a one-year contract, while slightly more (45%) said they were on an indefinite contract, which may mean they don't know how long their contract actually is, or they may have reached the end of their minimum time period and are now on an open-ended contract.

### TIPS:

Before you sign the contract, make sure you:

- Find out what the contract conditions mean.
- Understand what connection and monthly access will cost and, if there's a minimum charge for calls, how much that is too.
- Know for how long you're bound to this carrier or service provider.
- Check whether you can change to a different call plan (but stay with the same carrier or service provider) if your needs change during the term of the contract.
- Find out how much notice you have to give at the end of the contract if you want to change your carrier or service provider.
- Check what conditions apply (the penalty you have to pay) if you want to stop the contract before it expires.




**WHICH CARRIER?** The pie chart shows the percentages of people in our survey who were connected to the various carriers. The numbers closely reflect the overall mobile phone market. (Numbers don't add up to 100% because of rounding.)

## OPTUS VS TELSTRA VS VODAFONE

There were a few instances where a carrier stood out in the survey as being particularly good or bad.

- Most people in our survey were satisfied with their contract conditions (94%). But overall, Vodafone had more dissatisfied customers (21%) compared with Optus or Telstra (5% each).
- More Vodafone customers (30%) were thinking of switching carriers when their contract expires than Telstra (5%) or Optus (8%) customers.
- More Optus digital users (69%) are dissatisfied with the coverage they receive in remote and rural areas than Telstra (55%) or Vodafone (65%) digital users.

■ **The majority of people responding to our survey used their mobile phone less than 15 times a week; about a quarter made and received 15 to 40 calls per week.**

■ **More than half of the survey respondents had bought a mobile phone for business reasons; most of the rest for emergency contact.**

■ **It seems once you've gone mobile, you won't give it up easily. In our survey, only 2% of people intended to give up their mobile phone once their contract expired.**

■ **While analogue mobile phone users still significantly outnumber those connected to the digital network, the complaints the Telecommunications Industry Ombudsman (TIO) received in the third quarter of 1996 were overwhelmingly from digital phone users.**

# COVERAGE

## Digital coverage

As far as coverage is concerned, the newer digital network doesn't seem to be as far-reaching as the analogue network. While the majority of our survey respondents (80%) were satisfied with their phone's coverage, significantly more digital (30%) than analogue (15%) subscribers were not.

*"The map says there's coverage, but the salesperson gave me grossly incorrect information about the poor reception areas on the Central Coast [NSW]."*

These figures confirm findings of the Telecommunications Industry Ombudsman, where around 16% of complaints were about poor coverage of the digital network (over a five-month period to June 1996). Currently the digital carriers variously claim to cover between 80 and 91% of the Australian population, and say they're working to expand coverage in the future.

## Knowing where you stand

To make matters worse, more than a third of subscribers surveyed said they weren't given information about coverage when they bought their phone.

However, knowing about the carrier's claimed coverage before you buy a mobile phone won't always spare you frustration later on. Even if you live in an area generally covered by a network, there may be other factors that can affect signal strength: your distance from the nearest base station, local geography, climatic conditions or obstruction of the signal by buildings.

*"As a frequent traveller I am concerned that the coverage in certain areas is non-existent and that there are far too many 'dead' areas."*

HURRY! RING BATPERSON! THE FATE OF THE EARTH IS IN HIS HANDS!
..THE HERO-PHONE YOU ARE CALLING IS EITHER SWITCHED OFF OR IS OUTSIDE THE SERVICE AREA...

## Remote and rural

Almost two-thirds of people in our survey sometimes used their mobile in remote and rural areas. Of these, nearly half were dissatisfied with the coverage — significantly more subscribers to the digital than the analogue network and significantly more Optus digital users than the average.

### TIPS:

■ Get coverage maps from the carriers or retail outlets and check whether the area(s) in which you want to use your mobile phone are covered. Claims such as '91% coverage' are meaningless if you're one of the 9% who aren't covered.

■ Keep in mind that coverage maps will only give you a rough indication. Tell your carrier, service provider or retailer where you live and intend to use the phone most (mention particular areas, for example, the city's CBD, western suburbs or the southern side of a mountain) and ask whether there are any known 'flat spots' or 'shadows' where you can't use a mobile phone satisfactorily.

■ If there are known problems in the area where you want to use it, arrange to borrow a phone from the carrier, service provider or retailer you're intending to sign a contract with, so you can try it out — or ask friends or colleagues for their experiences or to borrow theirs.

# CAN YOU RELY ON THEM?

CHOICE isn't only in the business of testing products for performance and ease of use. With the help of our subscribers, we also assess how reliable consumer products and services are. And mobile phones rank very low.

## Problems with the handset

Over the 12 months immediately before our survey, more than one in five people who responded had experienced problems with their handsets — and nearly half of these involved the batteries.

*"After about a month of use both batteries had developed a 'memory' and were good for less than half their recommended time."* (The 'memory effect' is commonly believed to reduce battery life. You can avoid it by making sure a battery is fully discharged before recharging it.)

One subscriber received a replacement phone only after being without one three times, for at least a month each time, while the faulty handset was supposedly being repaired: *"About five to 10 minutes into the call, the handset became warm and the call would drop out."*

## Network problems

*"I have good days and very bad days with my phone. As it's the only one in my household, I find it extremely frustrating when I cannot get a line out."*

Almost one in five people had experienced network problems in the past 12 months, the biggest proportion involving lost connections.

*"More than 50% of my calls dropped out. Eventually I gave up."*

However, few people seem to complain when they experience network problems like these — only about 10% of all complaints received by the Telecommunications Industry Ombudsman in 1995-96 related to network performance. Perhaps consumers are resigned to the networks' limitations, which gives no incentive to carriers to improve them.

■ **For comprehensive advice on buying a mobile phone, see CHOICE, January 1996.**

■ **Free booklets (*Hold the phone — read this before you buy a mobile* and *Mobile phone etiquette for Australia*) are available from the office of the Telecommunications Industry Ombudsman (TIO) in Melbourne (phone 1800 062 058 toll-free).**

## ANALOGUE OR DIGITAL?

Telstra (then Telecom) introduced the analogue network in Australia in 1987. It uses the 014, 015, 017, 018 and 019 number prefixes. Both Telstra and Optus offer analogue mobile phone services — Optus buys time on the Telstra-owned network and resells it to its subscribers.

Since it was first introduced 10 years ago, analogue phone usage has outgrown the network capacity. At the time of our survey, more than 70% of the 3.8 million mobile phone users in Australia were still connected to it (the remainder had digital phones).

The analogue network is unable to deal with such a high demand and over the years it has become congested. Digital technology is supposed to overcome these problems.

### Going digital

The digital network is based on the Global System for Mobile Communications (GSM), a worldwide technology which uses 10-digit numbers beginning with an 041 prefix. Currently three competing carriers are offering digital mobile phone services — Telstra, Optus and Vodafone. More are expected to enter the market after deregulation in July.

According to the carriers, the digital network is less prone to interference and noisy lines, offers better protection against other people listening in and is more reliable, with fewer lost connections and crossed lines.

It also offers many enhanced services which are not possible with analogue technology. These include data transfer (for example, links to a fax machine, computer or the Internet), call diversion, call holding, message bank and your ability to use your handset in a number of overseas countries.

While these are digital's claimed advantages, the network seems at the very least to be suffering teething problems. As noted elsewhere, the vast majority of complaints received by the Telecommunications Industry Ombudsman concerned the digital networks.

### The phase-out

As digital technology was considered the best approach to develop competition in the market, the Commonwealth Government decided in 1990 to progressively phase out the analogue network. It's planned to stop operating on January 1, 2000, in most parts of the country.

At that time, it's expected that only a small number of rural phone users will still be able to use it, if no digital or alternative technology can provide mobile phone services to these areas.

Most of the subscribers in our survey (93%) knew about the phase-out of the analogue mobile phone network. In fact, of the 17% who had changed from analogue to digital in the previous six months, about a third had done so because of it (and about a quarter because they felt it offered better features).

However — and perhaps not surprisingly — almost half of those who subscribed to the analogue service were rather concerned about its planned withdrawal.

Until 2000, the analogue service will continue to operate in all areas where it's currently available. However, if you buy an analogue phone now, you'll get less than three years' service out of it — though if the call plan and handset are cheap enough, you may still find going analogue worthwhile. And towards the end of this time, as more and more of the spectrum (the radio frequency bands which carry radio waves) is withdrawn from the analogue network's use, the network quality may deteriorate.

### Keeping your number

According to the latest Telecommunications Industry Ombudsman's report, many residential and small business customers would like to change their carrier or service provider without having to change their telephone number.

But the current technology doesn't allow you to keep your complete phone number if you want to change from the analogue to the digital network — digital uses longer 10-digit numbers.

One of our survey respondents, a business owner, told us he had had to buy a digital phone in addition to his analogue model, just so that nobody else would get 'his' number, which all his customers knew — he already had the same telephone, analogue mobile phone and fax number (with different prefixes).

**TIP:**

■ If your number is going to change, check with your digital service provider what can be done to reduce the overall impact. For example, you may be able to arrange for some parts of your old number to be included in your new number, or arrange for diversion of calls from your old analogue to your new digital number.

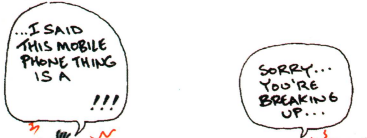
## SERVICE

### Not good enough

When it comes to customer service, of the people who had problems with their handset, more than a third weren't satisfied with the service they received from their retailer, carrier or service provider.

*"Our phone was out of service 90% of the time when first purchased and it wasn't easy to make the retailer believe there was something wrong with it."*

And more than half of those who had experienced difficulties with their network (such as lost connections, noisy or crossed lines, interference or voicemail problems) were unhappy with the customer service they received.




*"My service provider is not available out of weekday working hours, which is frustrating considering the inordinate amount of problems I've had with the service."*

Such a high level of consumer dissatisfaction with the companies' customer service is a strong message to carriers, service providers and retailers to get their act together. They won't have a captive audience for much longer, when the market is deregulated.

### And now ... the bill

Billing is another area of potential confusion for the unsuspecting mobile phone user. You generally get your bill from the company you have the contract with, but if that's a service provider (see *The jargon and who's who*, right), you may be billed by another party, such as your carrier, for example. That's because some service providers don't bill directly — they have an arrangement with another party to do the billing for them.

In our survey, the majority of subscribers (77%) thought they were being charged what they originally expected. However, some people found they had to pay more than they expected — those who had bought their phone from a service provider were particularly affected.

Overall, 18% of people had queried their bill in the previous 12 months. And of these, the majority were satisfied with the result. Billing queries were mainly about the amount charged or about specific calls.

## Things to consider *before* you buy and sign up ...

### Your needs

- Think about your telephone needs before you buy a handset. Do you need one for emergency purposes, for your business or your social life?
- Estimate how often you'll use it for outgoing and incoming calls.
- Choose a call plan that's most appropriate for your anticipated call pattern. Various pricing options are available for low-volume, moderate, regular and high-volume users, with monthly access fees varying from around $10 to more than $200.

For example, if you only want to use your mobile phone for emergency contact or to give to your children for peace of mind when they're out, you're a low-volume user. Go for a plan with a low monthly access fee and higher call charges. The more calls you make, the more important a component of your bill call charges become, so if you make lots of calls, look for lower call charges — which may of course be partially offset by a higher access fee.

- If you're a high-volume business user you may benefit from additional features (such as call diversion or data transfer), which could be an unnecessary expense for low-volume users.

### The carrier or service provider

- Check with the Office of the Telecommunications Industry Ombudsman (freecall 1800 062 058) whether the service provider you intend to deal with is participating in the TIO scheme. If it is, it'll open another independent complaints resolution mechanism to you. (With the deregulation of the industry in July, it is expected that participation in the scheme will become mandatory for most mobile phone service providers, with the exception of companies that deliver services exclusively to corporate clients).
- Shop around for quotes and compare the total cost, length and flexibility of each plan for your anticipated use.
- Some dealers only sell contracts for one of the carriers, so you won't get the most comprehensive advice about competitive call plans.

### Costs

- Make sure you know the total cost of the contract over the length of time you're committed to it — including the network connection and monthly access fees, call charges and minimum use charges.
- Don't be swayed by a very cheap price for the handset — other contract conditions attached to the call plan may make its overall cost high over the time you're bound to it.
- Consider any additional costs you'll incur for items such as batteries, a battery charging and discharging device, a car-mounting kit or antennae for car installation.
- Check how much you'll be charged for using the phone's other functions (such as call diversion, message bank, etc.).

*"I was charged $16.80 for 28 calls that didn't connect. Strange how they were all 'peak' times, charged at 60 cents for the first 30 seconds."*

**TIPS:**

Before you sign a contract, make sure you find out:

- Whom to contact with billing and network inquiries, if the contract is with a service provider.
- Whether you're committed to paying for a minimum number of calls each month.
- The full cost of the contract, especially if you're offered heavily discounted call charges or free calls.

## RISKS AND DANGERS

### Mobiles and your health

Some subscribers expressed concerns about the health risks of electromagnetic radiation from mobile phone antennae or base stations.

*"As I'm concerned about cancer, I try as much as possible to use my digital phone hands-free, so I don't have to put it to my ear."*

Although there's no firm evidence that links exposure to electromagnetic fields with an increased cancer risk, no-one knows for sure whether the use of mobile phones could cause health problems in the long term.

**TIP:**

- It's a sensible precaution to keep the antenna as far away as possible from your head. Limit the duration of calls on your mobile and don't use it if you have access to a regular phone.

### Electromagnetic interference

Other subscribers were concerned about the dangers of electromagnetic interference with electronic equipment such as car electronics, for example.

It has been recognised that under certain circumstances mobile phones can cause interference with some electrical and electronic equipment such as computers, pacemakers and hearing aids.

**TIPS:**

- Follow the general advice about when *not* to use a mobile phone (for example, near a petrol pump, in an aircraft or in hospitals).
- If you have a hearing aid or cochlear implant and want to use a mobile, try it out before you buy or contact the Deafness Forum — phone (06) 281 3934; tty (06) 281 3156; fax (06) 281 4309 — for a free pamphlet on hearing aids and mobile phones. ❑

## THE JARGON AND WHO'S WHO

### Carriers

Currently three telecommunications companies (Telstra, Optus and Vodafone) own, operate and install network infrastructure for digital mobile phone services. Analogue services are provided by both Telstra and Optus via the Telstra analogue network. These three companies are known as the **carriers** of mobile phone services. More carriers are expected to enter the market after deregulation in July.

- **Telstra** sells its services directly to the consumer through its own retail outlets. It also wholesales to dealers who only offer the consumer Telstra call plans and pricing packages, and to retailers who sell other carriers' services as well.
- **Optus** provides its services directly to the consumer through its retail outlets, which are franchised. It also wholesales to retailers.
- **Vodafone** provides digital mobile phone services only, but not directly to the consumer. It wholesales its services to service providers, who then sell them on to consumers. Its major service provider is Vodac.

### Service providers

These are commercial operators — ranging from very small to large businesses — who both supplement and compete with the three carriers. In general they buy and then repackage carrier services but, as distinct from the carriers, these **service providers** may provide customised billing, unless they've contracted one of the carriers to do their billing. They may also provide more personalised and often a greater range of services. Many also offer discounts on standard carrier tariffs, because they buy in bulk and pass on some of the discount.

### Retailers

In a mobile phone shop, you can generally choose from a variety of mobile phones and call plans. While the **retailer** can sell you a call plan, the contract isn't with that retailer but with a carrier or service provider. To get the widest choice of call plans, look for retailers who sell plans from more than one carrier, and compare the cost of plans from retailer to retailer.

### Call plans

To use a mobile phone, you need to get connected to the network, which involves entering into a contract directly with your carrier or via your service provider. The contract usually covers the purchase of the phone handset and connection to the network for a set time. This means the relatively high cost of the handset is spread over a particular period of time, during which you're committed to using the carrier and/or service provider.

## Refunds for secondhand goods

I read with interest your article on refunds in CHOICE, February 1995, but noted that it didn't mention the purchase of secondhand goods.

I recently purchased some secondhand goods from a merchant who displayed the sign 'No refunds or exchanges'.

Could you please advise if the refund laws are also applicable to secondhand goods?

**Ian Willis**
**via e-mail**

*According to the Trade Practices Act your individual rights as a consumer also exist when you buy secondhand goods. However, the extent of these rights can vary according to the age and condition of the goods and the price you pay for them.*

*If the product you bought has a manufacturing fault, you may be entitled to a refund or replacement — no matter whether the retailer puts up a sign stating otherwise. However, with secondhand goods a manufacturing fault may be hard to prove, and the age, price paid and state of the goods will be taken into account if you take the case to a tribunal or court for a decision — so there's no easy answer. Phone your state consumer affairs or fair trading department for specific advice on your particular situation.*

## Medicare or health fund?

I've been paying health insurance premiums for 36 years and am now seriously questioning whether I should maintain that cover or any cover at all. The fee for 1997 is $1600 — what am I paying this money for?

At my age (52) how sick will I get in the next 10 years? And will that possible sickness cost me more than $16,000?

If I was 10 years younger I wouldn't consider staying in a fund. Honestly, a person in their twenties would be a fool to contemplate paying that sort of money. If you get sick, the public system is world-class and free, isn't it?

A recent back problem required x-rays. It took 20 minutes and cost $88 — no insurance refund, thank you very much. The chemist charged $17 for the prescription, no refund there either.

The change of government doesn't appear to have made any difference. The tax rebate offered was an insult to my intelligence. What is a few dollars' tax rebate against $1600 per year?

At what cost level will enough people pull out to finally collapse the funds' viability? In my case it is very close, each quarter could well be the last.

If the funds collapse, can the public system handle the result?

What will it cost the government — and therefore us — if we all go public?

Maybe CHOICE can wield a big enough stick to knock some sense into the system.

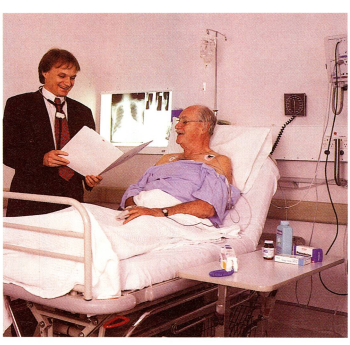
**John Supple**
**Crows Nest, NSW**

*CHOICE shares Mr Supple's concerns about the value of the tax rebate to the consumer when deciding to take out, or retain, private health insurance. While the rebates will be welcomed by some of those already in private health insurance, we think it's doubtful they'll encourage new members, particularly considering the recent price hikes by the major funds.*

*If the funds provided consumers with clearer information upfront about benefits and policy conditions, some of the dissatisfaction people have with refunds and premiums might be avoided. Information that compares different funds' policies and prices is also needed to help you shop around for the best deal on a product that suits your needs.*

*CHOICE has raised many of the issues Mr Supple refers to with the ongoing government inquiry into private health insurance. Whether the inquiry's outcome will benefit consumers is yet to be seen — we'll keep you informed.*

*The answer to the question of whether the public system can handle the spill-over of people who continue to drop out of private health insurance will depend on the Government's commitment to Medicare. The need to retain Australia's universal Medicare system — a system that is low-cost and effective by world standards — will be driving our work in the health financing debate, which is set to heat up this year.*



## No cords attached

I have been a CHOICE subscriber for just a few months, and I love it. Congratulations on a fantastic and necessary magazine.

I am writing to ask that you do a test on cordless home phones (as opposed to mobile phones). I am sure that the sound quality and range could vary a great deal between brands.

CHOICE would be the perfect place (the *only* place!) to see a comparison.

Hope you can help. Thanks again.

**Damon Herriman**
**Wollstonecraft, NSW**

*Thanks for your support and your suggestion — we hope to bring you a test of cordless phones in the next few months.*

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# What is weight loss costing Australia?

**Despite spending around $500 million a year to lose weight, Australians continue to get fatter.**

**Could the weight loss industry be part of the problem, rather than the cure?**

**Plus** ● **Genetic testing — what if you fail?** ● **Missing out on legal aid.**
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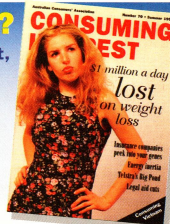
**And much more in this issue of *Consuming Interest*.**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TEST REPORT

# Electric ranges

*They're compact and convenient, but seven of the eight models in the test had some kind of manufacturing problem.*

AN ELECTRIC RANGE IS SOMETIMES the only option in a small kitchen — they save space because the oven, grill and cooktop are all in one compact unit. Although a separate oven and cooktop are becoming increasingly popular, we still receive many enquiries asking which range is the best.

We tested fan-forced and multifunction upright electric ranges selling for up to $1200 (at the time we bought) in the most popular size — around 540 mm wide.

**Fan-forced ovens** usually have their heating element at the back around the fan, which circulates heat quickly and evenly, saving time and energy. Most manufacturers suggest lowering normal cooking temperatures by 10°C to 20°C to compensate.

**Multifunction ovens** allow you to use the oven with or without the fan (as in a conventional oven), and using a combination of fan and elements. For example, if you're roasting a joint, a fan will speed up the cooking. If you're cooking a custard tart — which doesn't appreciate air movement — you'd turn the fan off.

## Which are the best?

Of the eight models on test, only the **FISHER & PAYKEL Multifunction RA535MEW** has a multifunction oven, and it's also one of the four best-performing ranges.

The other three top performers are the **CHEF Premier EPRUFW**, the **CHEF Sapphire ESPUAFCW**, and the **CHEF Sapphire ESPUMFZW**. All four have ovens, grills and hotplates that perform well overall, though some — including the last-mentioned **CHEF Sapphire** — aren't the best choice for certain types of cooking.

For example, if you cook a lot of soups, stews and sauces, its solid hotplates retain too much heat to simmer something like a white sauce without risking it being burnt. The same is true of the **WESTINGHOUSE Silhouette PAD 518 EFW**. On the other hand, the **CHEF Sapphire** was equal top scorer for its oven.

Overall, all the ranges we tested were adequate, but the top four stood out as better in general for cooking performance. We were, however, surprised at the number of technical problems we found during the test (see *Technical problems*, page 43).

## Separate grill or not?

While the **FISHER & PAYKEL** model in this test is a good performer, its grill is inside the oven, rather than in a separate compartment. The grill tray doesn't come with a handle and becomes very hot, which means it needs to be held with a mitt or pot holder. We also found this tray could slip off its shelf a little too easily, all of which makes it potentially hazardous. Nevertheless, the grill cooks well.

## WHAT TO BUY

| | |
|---|---|
| **FISHER & PAYKEL Multifunction RA535MEW** | $859 |
| **CHEF Premier EPRUFW** | $929 |
| **CHEF Sapphire ESPUAFCW** | $1249 |
| **CHEF Sapphire ESPUMFZW** | $995 |

## IN BRIEF

- Ranges can cost less than $1000 and still have quite sophisticated cooking functions, such as a multifunction oven and automatic programming.
- We encountered technical problems we wouldn't have expected in this test — such as the brand that forgot to put insulation in the base of its ovens, and two other cookers, both with three out of four radiant coil elements that were at an angle to the cooktop.

**Ovens in the *What to Buy* list are shown in rank order. Prices shown are a good target to aim for when shopping around, based on nationwide checks December 1996 and January 1997. Anything lower is a bargain.**

## FISHER & PAYKEL MULTIFUNCTION RA535MEW

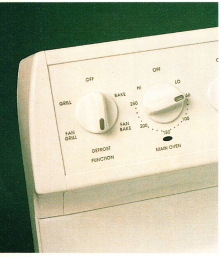
*Price:* $859
*Type of cooktop:* Radiant coil

**Good points**

- The oven is multifunctional, which gives you a choice of various combinations of fan and elements for different types of cooking.
- The window in the oven door is large and easy to see through.
- The oven cooked roast chicken, custard tarts, scones and sponges particularly well (see *Cooking score* on page 45).
- The cooktop was good for cooking rice.
- Bright oven light.
- Both semi and fully automatic programming (see *What to look for*, right).
- Grill cooks well.
- Oven quick to preheat.
- Good recipe book.
- Long timer duration.
- Warming drawer with its own heating element.
- Individual indicator lights for all hotplates.
- Oven door easy to open and shut.

**Bad points**

- The grill is in the oven and no handle is supplied, so it can become very hot to slide in and out.
- The grill tray slips off the shelf too easily.
- Three of the cooktop elements on the sample we bought were at an angle to the cooktop.
- Cleaning around the cooktop elements and on the control panel was slightly difficult.
- The clock counts in 24-hour time, which may not suit some people.
- No half-grill function for grilling small amounts.




**The Fisher & Paykel Multifunction RA535MEW has a defrost setting marked on its oven control knob, but in fact the model doesn't have a defrost mode. In any case, our advice is it's safest to defrost foods in your fridge or microwave oven. In an oven at 'defrost' temperature there will be time for any bacteria in the food to multiply, whereas fridge temperatures are too low for most bacteria to grow, and they don't get time to grow when food is quickly defrosted in a microwave.**

## CHEF PREMIER EPRUFW

*Price:* $929
*Type of cooktop:* Radiant coil

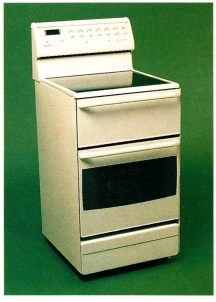
**Good points**

- The grill performs well and is spacious.
- Generally easy to use and clean.
- Semi-automatic programming.
- Good recipe book.
- The oven cooked roast chicken and meringues particularly well.
- Storage drawer.

**Bad points**

- Labels on controls and indicator lights are small.
- The mechanical timer operates for a maximum of 90 minutes.
- No clock.
- No half-grill function for grilling small amounts.

## CHEF SAPPHIRE ESPUAFCW



*Price:* $1249
*Type of cooktop:* Ceramic glass

**Good points**

- Generally easy to clean, especially the ceramic glass surface.
- Semi-automatic and fully automatic programming.
- Good recipe book.
- The oven cooked roast chicken particularly well.
- The cooktop was good for simmering white sauce.
- Long timer duration.
- Storage drawer.
- Electronic digital clock.
- Just the centre part of the largest cooktop element can be switched on for use with a small saucepan.
- Has a half-grill function for grilling small amounts.
- The grill cooks well and is spacious.
- Keep-warm function for use with auto-cooking.

**Bad points**

- Labels on controls and indicator lights are small.
- The timer is a little difficult to set.

## CHEF SAPPHIRE ESPUMFZW

*Price:* $995
*Type of cooktop:* Solid sealed.

**Good points**

- The oven was equal best for cooking overall and particularly good for roasting chicken and cooking custard tarts.
- The grill cooks well and is spacious.
- Generally easy to clean.
- Has a half-grill function for grilling small amounts.
- Semi-automatic programming.
- Long timer duration.
- Electronic digital clock.

**Bad points**

- Labels on controls and indicator lights are small.
- Solid elements retain heat longer than other element types when temperature is reduced, which can be a problem when simmering.
- The timer is a little difficult to set.

## WHAT TO LOOK FOR

- Oven doors should be light and easy to open and close, and should stay open in any position. Make sure there's enough space between the handle and door surface for you to place your hand without risking burning your knuckles. (All three **CHEF** ranges had plenty of space.) The window in the oven door should be easy to see through and allow a clear view of all shelves.
- Cooktop indicator lights (which tell you if the elements are on) should clearly refer to individual hotplates and should be easy to see from a distance. This is especially important if you buy a range with a ceramic glass surface or solid sealed hotplates, as it can be difficult to see whether or not the elements in these types of cooktop are on. On a ceramic glass cooktop surface, a light that tells you if it's still hot is useful. The simmer hotplate (if there is one) should also be labelled.
- Electronic digital timers are more accurate for setting cooking times than mechanical timers. Look for one that doesn't skip through the numbers too quickly when being set, and can be set in either direction. A clock is also a practical feature.
- The control knobs and switches should be clearly labelled in easy-to read lettering, and the knobs should be large and easy to grip. Knobs that are well-spaced are easier to clean around.
- Ovens with more than two shelves and multiple shelf positions are convenient if you do a lot of cooking with different-sized dishes.
- Some ovens supply baking dishes and appropriately sized baking trays. Oven shelves with attachments that allow baking dishes to hang underneath them are convenient for roasting (the roast sits on the rack and the hanging dish catches the fat). All the **CHEF** ranges in this test have this feature.
- For cleaning purposes, detachable oven rails are simpler to clean than fixed rails or runners, unless they are smooth mouldings. Ovens with exposed elements are also harder to clean. Cooktops with sealed elements are simpler to clean than those with radiant coil elements, but may make simmering more difficult. Ceramic glass cooktops are the easiest to clean, and can provide extra bench space if you're not using the stove (but don't use it as a cutting board).
- An additional warmer drawer to heat plates before serving can be convenient.
- A grill tray that can be placed at different levels means you can grill different-sized items with greater ease, and a half-grill function for cooking small amounts is useful. Also look for a tray that comes out far enough for you to reach all the food on it.

## TECHNICAL PROBLEMS

- One of the elements on the **WESTINGHOUSE Silhouette PAD 518 FW** range failed one of our electrical safety tests. However, the Energy Authority inspected it and didn't think the fault was hazardous. The suspect element was replaced and didn't present a problem in our testing after that.

When you have your range installed, your electrician should check for and detect such problems and correct them upfront if any are found.

- All three **CHEF** models in our test failed our heat-loss test (which checks how fast heat is lost from the oven). We informed **CHEF** manufacturer Southcorp of the problem and it subsequently found that a stage in the manufacture of these models had been missed, and insulation had not been added to the base of the oven. Southcorp says it has since corrected the problem. But if you bought one of these models before December 1996 and haven't had the problem fixed, it could affect your cooking results, how long it takes your oven to heat up and, in particular, how much electricity you use. If you want your oven checked, contact Southcorp service department on 13 22 26.
- Two elements of the **FISHER & PAYKEL** had uneven contact surfaces, but the company claims this has since been fixed. One element on the **SIMPSON Celebrity 62A854TW** also had this problem.
- The three smaller radiant coil elements on both the **FISHER & PAYKEL** and the **SIMPSON Celebrity 62A858MTW** were at an angle to the cooktop. The manufacturer of the **SIMPSON** says it's investigating the problem.

| Brand / model | Manufacturer/ distributor | Origin | Price ($)* | Warranty (months) | 1 Oven type | 2 Separate grill compartment | 3 Cooktop type |
|---|---|---|---|---|---|---|---|
| **FISHER & PAYKEL** Multifunction RA535MEW | Fisher & Paykel | New Zealand | 859 | 12 | Multifunction | | Radiant c |
| **CHEF** Premier EPRUFW | Southcorp | Australia | 929 | 12 | Fan-forced | ✓ | Radiant c |
| **CHEF** Sapphire ESPUAFCW | Southcorp | Australia | 1249 | 12 | Fan-forced | ✓ | Ceramic g |
| **CHEF** Sapphire ESPUMFZW | Southcorp | Australia | 995 | 12 | Fan-forced | ✓ | Solid seal |
| **SIMPSON** Celebrity 62A854TW | Email | Australia | 859 | 12 | Fan-forced | ✓ | Radiant c |
| **SIMPSON** Celebrity 62A858MTW | Email | Australia | 969 | 12 | Fan-forced | ✓ | Radiant c |
| **WESTINGHOUSE** Silhouette PAD 518 FW **(A)** | Email | Australia | 959 | 12 | Fan-forced | ✓ | Radiant c |
| **WESTINGHOUSE** Silhouette PAD 518 EFW **(A)** | Email | Australia | 979 | 12 | Fan-forced | ✓ | Solid seal |

equal

* Prices shown are a good target to aim for when shopping around, based on nationwide checks in December 1996 and January 1997.

** (24) means the clock counts in 24-hour time, (12) in 12-hour time.

**(A)** This model was discontinued in January 1997 and replaced by a new model with the prefix PAF (rather than PAD). The manufacturer says the differences include a new door pattern and oven handle, which may affect ease of use.

## FOR PEOPLE WITH A DISABILITY

An occupational therapist from the Independent Living Centre assessed the ranges for ease of use by people with a disability. No one model could be recommended overall, but when you're shopping the following features are worth looking for (as well as those listed in *What to look for*, on page 43):

- A control panel on the front of the range, rather than behind the hotplates. This is easier and safer for people in a wheelchair to reach. However, all the ranges in our test had the panel at the back (which may be safer if you have children in the house).
- Control knobs should be easy to turn, large, and feature crossbars for easy gripping. Both **SIMPSON**s are good in this regard.
- Cooktops with a smooth surface like ceramic glass are easier to clean, and allow pots to be slid from one element to another or on and off the cooktop, reducing the chance of spillage. The **CHEF Sapphire ESPUAFCW** in our test has a ceramic glass cooktop.
- Oven doors that slide under the oven provide better access to the oven than fixed doors that open downwards. None of the ranges in this test has this feature.
- Sliding shelves and trays with a secure stop are safer as they can't be pulled all the way out.

## Which brands are the most reliable?

We asked a group of subscribers whether their electric range had needed repair during the past 12 months, and whether they would buy the same brand again. The graphs below show the results for the brands for which we have sufficient numbers to report on (the number in brackets tells you how many readers reported on each brand).

Only 16% of people in the survey reported that their electric range had needed repair in the past 12 months. The average cost of repairs was approximately $106.

**Percentage not needing repair**

**Percentage who would buy again**

**The two Westinghouse and two Simpson models we tested didn't have sufficient space between the grill tray and handle, which means you could potentially burn your knuckles when holding it — grill trays can heat up to more than 200°C. So if you use your grill often, look for one that has enough space between the tray and its handle — particularly if you have big hands.**

**Having enough space between the oven handle and door surface is important for the same reason, although they don't reach such high temperatures. All three Chef ranges in our test were particularly good in both regards.**

| 5 Electronic digital timer | 6 Auto programming | 7 Ease of use score (%) | 8 Cooking performance score (%) | Overall score (%) | Brand / model |
|---|---|---|---|---|---|
| 4) ✓ (24 hours) | S, A | 67 | 83 | 77 | **FISHER & PAYKEL** Multifunction RA535MEW |
| Mechanical (90 min) | S | 70 | 76 | 74 | **CHEF** Premier EPRUFW |
| 2) ✓ (9 hr 59 min) | S, A | 68 | 77 | 73 | **CHEF** Sapphire ESPUAFCW |
| 2) ✓ (9 hr 59 min) | S | 68 | 75 | 72 | **CHEF** Sapphire ESPUMFZW |
| Mechanical (60 min) | | 70 | 66 | 68 | **SIMPSON** Celebrity 62A854TW |
| 4) ✓ (24 hours) | | 70 | 66 | 68 | **SIMPSON** Celebrity 62A858MTW |
| 4) ✓ (24 hours) | | 63 | 70 | 67 | **WESTINGHOUSE** Silhouette PAD 518 FW (A) |
| 4) ✓ (24 hours) | | 63 | 58 | 60 | **WESTINGHOUSE** Silhouette PAD 518 EFW (A) |

equal

### Comparable models

- The **FISHER & PAYKEL RA535MAW** is technically similar to the **FISHER & PAYKEL RA535MEW** except that is has an analogue clock.
- The **CHEF Sapphire ESPUMFBW** is technically similar to the **CHEF Sapphire ESPUMFZW** except that it has radiant coil elements.
- The **SIMPSON Celebrity 62A858MTB** is the same as the **SIMPSON Celebrity 62A858MTW** except that it's brown and white instead of all white.
- The **WESTINGHOUSE Silhouette PAD 518 FBV** is the same as **PAD 518 FW** except that it's brown and white instead of all white. All **Silhouette PAD** models are changing to PAF models, see footnote (A) on page 44.

### 1 Oven type

The ovens in this test were either multifunction or fan-forced. For definitions of these functions, see page 41.

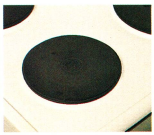
### 2 Separate grill compartment

All the ranges have a grill in a separate compartment except the **FISHER & PAYKEL**, which has its grill inside the oven. For more information on this, see *Separate grill or not?*, page 41.

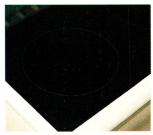
### 3 Cooktop type

The ranges came with three types of cooktop: radiant coil, ceramic glass or solid sealed elements.

**Radiant coil**



**Solid sealed**



**Ceramic glass**

- **Radiant coil:** While this type of element cooks well, it tends to be the hardest kind of electrical element to clean around.
- **Ceramic glass:** The **CHEF Sapphire ESPUAFCW** was the only model with this type of cooktop. It's easy to clean and looks good, but the pots tend to slide a little when you're stirring the contents.
- **Solid sealed:** These elements are easy to clean but retain heat longer than the others when the temperature is reduced, which can be a problem when simmering.

### 4 Clock

Clocks are a convenience feature. All the ovens in this test which have a clock have an electronic digital one.

### 5 Electronic digital timer

Electronic digital timers can be set more accurately than mechanical ones. The time in brackets is the maximum duration of the timer. Look for timers with more than two hours' duration, which should be sufficient to meet most cooking requirements.

### 6 Auto programming

- An oven with an S in this column has **semi-automatic programming;** this allows you to turn the oven on manually, then set it to turn off by itself after the desired cooking time.
- An oven with an A in this column has **fully automatic programming;** this allows you to set the oven to switch on in your absence, cook for the desired time, then turn itself off. The **CHEF Sapphire ESPUAFCW** also has a keep-warm feature designed to maintain the food at 85°C to 90°C after either semi- or fully automatic operation.

### 7 Ease of use score

The ranges were assessed for ease of use of their controls, how easy it was to use the oven, grill and cooktop, and how easy each of these was to clean.

### 8 Cooking score

We cooked a variety of foods, following the manufacturer's recommendations on temperatures and times.

- To test the cooktops, we cooked a white sauce to assess the hotplates' ability to cook at low temperatures for long periods of time. We cooked rice, to see how fast the hotplates could bring things to the boil, and we checked how well they changed temperature levels when turned down.
- To test the oven, we baked scones, to test oven performance at a high temperature for short periods of time; sponges, to test moderate temperature and evenness of cooking on multiple shelves; meringues, to test low-temperature cooking; custard tarts, to test the ability to change temperature levels; and roast chicken, to assess the oven's ability to roast a whole food item.
- The grill was tested by cooking toast, which gives a good indication of evenness of cooking, and sausages, which indicated the grill's ability to cook a thicker food item.

### 9 Overall score

The final score consisted of:

- Ease of use: 40%
- Cooking performance: 60%

# RECALLS & BANS

**THE PRODUCT:** **KMart** has recalled **Kids Club** brand **children's folding sunlounges**, which are sold in most of its stores around Australia.
**The problem:** The product could be dangerous for children. One child severed the top of her finger when using the chair.
**What to do:** Stop using the chair, and return it to any KMart store for a full refund. For further information, contact KMart's customer relations department on 1800 634 251.

**THE PRODUCT:** **Woolworths**, **Food For Less** and **Flemings** stores in NSW and the ACT have recalled **Home Brand Ground Black Pepper 50 g**, bought from these stores in December 1996 and January 1997.
**The problem:** The product may have been tampered with.
**What to do:** Stop using the product, and return it to your nearest Woolworths, Food For Less or Flemings store for a refund. For further information, contact (02) 9892 7111.

**THE PRODUCT:** **Freedom Furniture** has recalled all **Allambee Wall Mirrors** sold in all its stores since January 1994. The mirror has a metal frame which is coated in black or green (verdigris) finish.
**The problem:** In some cases the glass has separated from the frame, causing the glass to fall.
**What to do:** Remove the mirror from your wall immediately and call the following number for a free redesigned replacement: 1800 643 169.

**THE PRODUCT:** **The Allton Group** has recalled **Aqua Kids EVA Bubble** and **Aqua Kids Inflatable Bubble**.
**The problem:** Stitching on these flotation devices could come undone causing the product to fail.
**What to do:** Stop using the bubble and return it to the place of purchase for a full refund. For further information, contact The Allton Group's customer service department on (02) 9488 7723.

## CAR RECALLS

The following car recalls have been listed in the Federal Office of Road Safety *Vehicle Standards Bulletin*. All the manufacturers named below should have notified car owners of the problems found; however, it's not always possible to reach all owners, especially if cars have changed hands.
**What to do:** If you have one of the following vehicles and have not already had it inspected, contact the seller or an authorised dealer and have it inspected as soon as possible. If the listed defect is found, it should be fixed free of charge.

**THE PRODUCT:** **Audi** has recalled the **Audi V8** (**44** to **4C**), manufactured from 1990 to 1991.
**The problem:** Possible malfunction in the cruise control linkage.

**THE PRODUCT:** Various importers are recalling the **Ford F Series Supercab**, manufactured from 1994 to 1995.
**The problem:** Possible short circuit in the driver's seat power adjustment.

**THE PRODUCT:** **BMW** has recalled the **E32**, **E34** and **E36 series**, manufactured from January 1990 to March 1994.
**The problem:** The brake light switch may be faulty.

**THE PRODUCT:** **BMW** has recalled the **E36 series 318i**, manufactured from March to April 1996.
**The problem:** A terminal on the battery cable may be loose.

**THE PRODUCT:** Various importers have recalled the **Ford F Series** and **Bronco**, manufactured from August 1987 to July 1993.
**The problem:** The ignition switch may short circuit.

**THE PRODUCT:** **Ducati** has recalled the **716S-716S1** and **748S-748S1** models, manufactured from 1994 to 1996.
**The problem:** The headlamp may contravene Australian Design Rule 19/01 requirements.

**THE PRODUCT:** **Ford** has recalled the **Falcon XR6 Longreach Utility**, **XH series**, manufactured up to June 28, 1996.
**The problem:** The throttle may fail to return to idle.

**THE PRODUCT:** **Ford** has recalled **AS series Telstars**, manufactured from August 1985 to October 1987.
**The problem:** These models may have a steering shaft failure.

**THE PRODUCT:** **Ford** has recalled the **EF Falcon**, **NF Fairlane** and **DF II LTD**, manufactured August 1, 1995, to July 28, 1996.
**The problem:** The passenger airbag assembly may have been omitted.

**THE PRODUCT:** **Ford** has recalled the **Telstar TX5 Ghia 4WS**, **AY series**, manufactured November 1, 1994, to June 30, 1995.
**The problem:** The fuel tank vapour valve may crack.

**THE PRODUCT:** **Ford** has recalled the **DN Taurus**, manufactured from July to October 1995.
**The problem:** The automatic transmission 'park' may fail to engage.

**THE PRODUCT:** **Goodyear** has recalled the **7.00R16LT G114A 109/107M tyre**, manufactured from June 2 to 15, 1996.
**The problem:** The sidewall may have been stamped with the incorrect ply rating.

**THE PRODUCT:** **Harley** has recalled the **Dyna FX** and **FL Softail** and **Dyna Sportster**, 1996 models.
**The problem:** The rear brake master cylinder may be faulty.

**THE PRODUCT:** **Holden** has recalled the **Commodore VR** and **VS** with **automatic transmission** and **towbar**, manufactured up to October 1996.
**The problem:** Under certain conditions during towing, the transmission fluid may overheat and ignite.

**THE PRODUCT:** **Kawasaki** has recalled the **KX 125 K4** and **KX 250-K4**, manufactured from July 1996 to October 1996.
**The problem:** The footpegs may have been improperly heat-treated.

**THE PRODUCT:** **Mercedes** has recalled the **E Class (type 210)**, manufactured November 1995 to June 1996.
**The problem:** In an accident, the airbag on the passenger side may open instead of on the driver's side.

**THE PRODUCT:** **Mitsubishi** has recalled **Magna TF series** with ABS, **Verada KR** and **KS series** with ABS, **Pajero NH** and some **NJ series** and the **3000GT**, manufactured from January 1991 to May 1995.
**The problem:** The front upper brake hoses may crack.

**THE PRODUCT:** **Peugeot** has recalled 1996 models of the **306XR**, **XT**, **ST**, **XSi**, **STDT** and **S16**.
**The problem:** The airbag rotary connector may be damaged.

**THE PRODUCT:** **Peugeot** has recalled 1994 to 1996 models of the **306XR**, **XT**, **ST**, **XSi**, **S16** and **Cabriolet**.
**The problem:** The main wiring harness may contact the car body.

## PERMANENT COT BAN

**THE PRODUCT:** Five portable cots have been banned from sale in NSW — **Travel D'Lite**, **Play D'Lite**, **Rest D'Lite**, **Travel Express** and **Chicco Travel Bed**. (Later models of Travel Express, known as Travel Express 2 and Travel Express 3, are not included in this ban, as they have a safer pushbutton locking mechanism.) While the ban is only in NSW, the cots should no longer be available elsewhere.
**The problem:** A safety inquiry found the cots could collapse and cause a child's death.
**What to do:** If you have one of these cots, stop using it immediately. The cots should no longer be available new in shops, but may be available secondhand. If you own one of the above cots, contact the manufacturer, as follows:

- If you own a Travel D'Lite, Play D'Lite or Rest D'Lite cot, contact Century Foldaway on 1800 813 767 or (03) 9887 3388. You will be sent a free 'Posi Lock' system, which replaces the arm system on your cot. Instructions will be included on how to remove and replace the arms.
- If you own a Chicco Travel Bed, contact JNH Toys on (03) 9579 0533, and it will be replaced free with a Bananas in Pyjamas Travel Cot, which has the safer pushbutton locking mechanism.
- If you have a Travel Express cot, contact Babyco on (03) 9764 3333.

## IMPORTANT NOTICE

**THE PRODUCT:** **Starfish Swimming Vests**, imported and distributed by **Stern's Playland**, will no longer be sold following action by the Australian Competition and Consumer Commission.
**The problem:** The buckles on the blow-up vest are liable to release when the child jumps or dives into the water, and the child could slip out of the vest.
**What to do:** Return undamaged swimming vests to the point of sale as the ACCC says the manufacturer has undertaken to provide a refund.

**THE PRODUCT: Porsche** has recalled the **Carrera 2/4** and **Turbo**, manufactured 1989 to 1992.
**The problem:** Potential steering shaft failure.

**THE PRODUCT: Proton** has recalled the **Wira C97**, manufactured January to August 1995.
**The problem:** The park brake cable assembly may separate.

**THE PRODUCT: Audi** has recalled the **A4**, manufactured from 1995 to 1996.
**The problem:** The horn may malfunction.

**THE PRODUCT: Volkswagen** has recalled the **Passat B3**, manufactured in 1990.
**The problem:** Possible water leakage from the heater core.

**THE PRODUCT: Volkswagen** has recalled the **Transporter T4** and the **Caravelle,** manufactured from 1992 to 1993.
**The problem:** Possible loose steering column clamp.

**THE PRODUCT: Volvo** has recalled the **850** and **960**, manufactured from 1996 to 1997.
**The problem:** Possible loose throttle plate.

## PRECAUTIONARY NOTICE

**THE PRODUCT: Uncle Tobys Three-fruit Chewy Muesli Bars**, 250 g, with a Best Before date of May 18, 1997, and **Three-fruit Muesli Bars** in **Uncle Tobys Fruit Selection Chewy Muesli Bars**, 500 g, with a Best Before date of April 17, 1997.
**The problem:** Bars from these batches may contain traces of peanut residue, which would not be detected by taste. This may present a risk to people allergic to peanuts. If you don't suffer from this allergy, the bars are safe to eat.
**What to do:** If you suffer from peanut allergy, do not eat the products described above. For further information, contact Uncle Tobys Consumer Relations Department on 1800 641 276.

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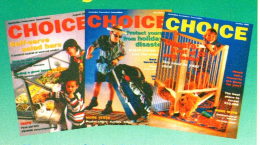


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